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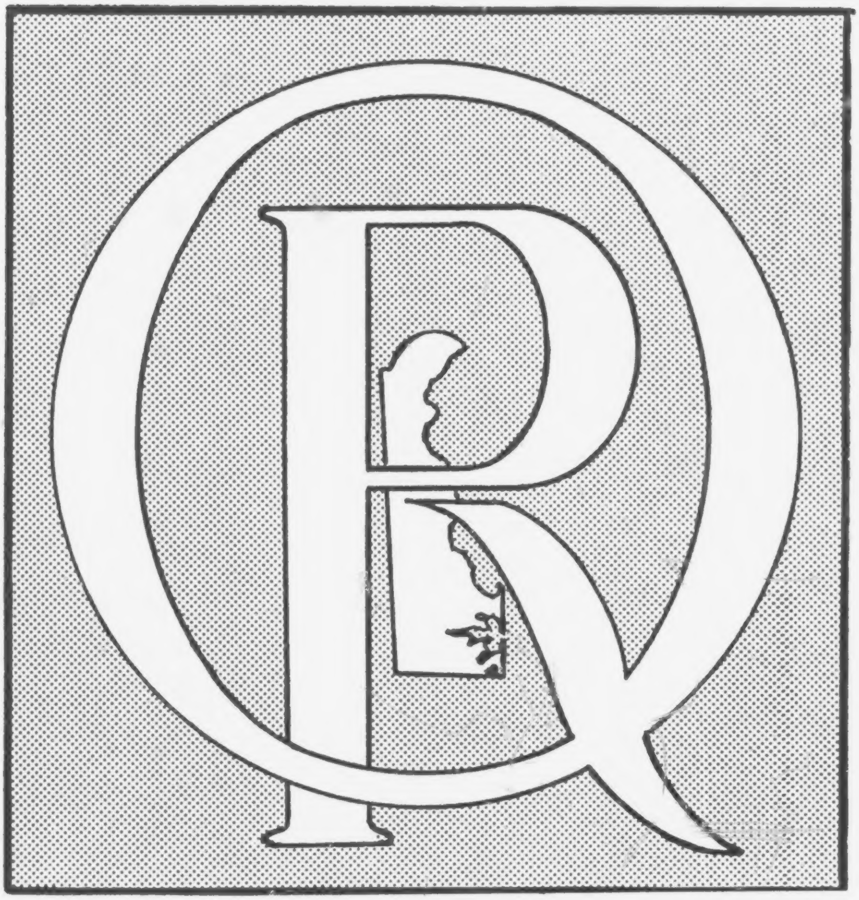

HOUSING PRODUCTION IN DELAWARE

THIRD QUARTER, 1980

STATE OF DELAWARE

DEPARTMENT OF COMMUNITY AFFAIRS AND ECONOMIC DEVELOPMENT
DIVISION OF HOUSING
AND
DELAWARE STATE HOUSING AUTHORITY

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QUARTERLY REVIEW
OF
HOUSING PRODUCTION
IN
DELAWARE

THIRD QUARTER, 1980

BY

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December, 1980

FOREWORD

While its encouraging to note that homebuilding in Delaware recorded significant gains in the Third Quarter (1,293 units produced), it is discouraging to observe that the depressed housing industry continues to be plagued with rising interest rates for financing, more inflationary costs of labor and materials, and consequent additional shrinking of *effective* consumer demand.

Most of the Third Quarter production increases can be traced to government-assisted housing, and specifically to the Delaware State Housing Authority's single-family and multi-family mortgage programs.

Of particular note in this issue of the *Quarterly Review* is a feature article by staff member David Sorber on condominium conversions and the implications of such activities for housing policies.

Robert S. Moyer

ROBERT S. MOYER
State Director of Housing

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INTRODUCTION

This report presents housing activity in Delaware for the third quarter of calendar year 1980. Included in the following pages are data concerning the number of new housing units authorized by building permits, and the amount of new mobile homes sold and titled in Delaware. Data on residential demolition, construction costs, heating fuel, square footage, and the number of bedrooms are also presented on a per-unit basis, covering both single family and multi-family dwellings.

The feature article for this issue examines condominium conversions in Delaware and its implications for public policy.

The following information relates to new housing, substantially rehabilitated housing, and demolition of substandard housing units. Only those units used as primary housing have been counted. Group residential structures such as vacation homes, nursing homes, motels, hotels, college dormitories and recreation vehicles are not included. The figures obtained herein are not based upon a sample survey, but are actual totals from an exhaustive enumeration of building permit data recorded by various jurisdictions, and reported to the State Division of Housing.

The data shown relate to the issuance of the permit rather than the actual start of construction, and should not be literally interpreted as "housing starts". However, building permits are very useful as prompt indicators of trends in residential construction activity. The United States Bureau of the Census has determined that approximately 98-99 percent of all authorized construction is eventually undertaken at the construction site.

For simplification, permit issuance will be expressed as "starts" in this narrative.

The Geography of Building Permit Jurisdiction

The New Castle and Kent County building permit systems cover all unincorporated areas within their respective boundaries, plus those areas not having building permit systems. Those towns and municipalities having permit laws are counted as separate entities within their counties. An exception to this rule is the town of Milford, which straddles the border of Kent and Sussex counties. Milford's data are counted in the county containing the building activity.

Sussex county includes all municipalities in its building permit system. It is necessary to adjust the total for Sussex in order to avoid double-counting.

Definitions

Housing Unit - a housing unit, as defined for purposes of this report, consists of a room or group of rooms intended for occupancy as separate, year-round living quarters, by a family, by a group of unrelated persons living together, or by a person living alone.

In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Migratory, seasonal and vacation housing have been omitted.

Chart 4 is based on the number of new mobile homes sold in Delaware and titled for use in Delaware. There are no mobile home factories in Delaware, and those homes labeled sectional, modular, or "prefab" are counted as on-site construction.

Chart 5 contains statistics on substantial rehabilitation received from building permits. Substantial rehabilitation consists of additions and alterations containing three of the following four elements: electrical, heating, plumbing and structural work.

CONDOMINIUM CONVERSIONS AND HOUSING POLICY

By David C. Sorber
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THE LEGAL BASIS FOR CONDOMINIUMS

The condominium form of ownership of real property is the ownership of a piece of real estate (apartment or office) without an identifiable, individual piece of land accompanying it. Ownership of an individual unit is coupled with an interest in the land, common areas, and recreational facilities of the project. In Delaware, the existence of the condominium form stems from the passage of the Unit Property Act by the General Assembly. Legally, a condominium is a subdivision of a single parcel of land, with a plan of the project prepared by a surveyor or engineer and recorded at the office of the county Recorder of Deeds.

Creation (through new construction or conversion) is a legal process similar to the creation of a subdivision of single-family homes. One parcel of land owned by one person, is broken up into many parcels, each of which will be owned by a different person. Such a subdividing requires the approval of the local government.

In the condominium form of ownership, an owners association is created in each project, and has many functions which are the responsibility of the individual homeowner in a single-family situation.

Typically, the association pays the sewer and water bills, procures hazard insurance on the project, and is responsible for the maintenance of common areas and recreational facilities. If the utilities are master-metered, the association pays for everybody's gas and electricity. Each unit owner is assessed monthly for a pro-rata share (usually on the basis of the square footage of the unit) of the association's budget. If the homeowner has an escrow arrangement with his mortgage lender, then the assessment is usually escrowed along with his property taxes.

Note that each owner obtains and pays for his own mortgage, and is assessed and pays his own property taxes. A condominium is identical to a conventional home in that respect. One difference is that the association's assessment, if unpaid, can become a lien on the unit, and the association can foreclose to force payment, just like a mortgage lender could foreclose if the mortgage payments were not made.

The advantages of the condominium form is that it lets people combine the tax and financial advantages of homeownership with generally smaller and more practical living quarters and no responsibility for maintenance. For the young and old, those who prefer city living, and for the busy professional or executive, condominiums are often a desirable alternative to a detached home or townhouse with its own piece of land.

In Delaware, condominiums are a small but rapidly growing segment of the housing stock. A recent count shows eighteen condominium complexes, plus two cooperatives, plus a number of resort projects that are generally not primary residences.

Table 1. Delaware Condominiums and Cooperatives, as of September 30, 1980

Name	Location	Style	Origin
Broomall	City	high rise	new const.
Cavaliers	Sub. NCC	townhouse	new const.
Linden Knoll	Sub. NCC	garden	new const.
Mermaid Run	Sub. NCC	garden	new const.
Hamilton House	City	mid-rise	new const.
Stones Throw	Sub. NCC	townhouse	new const.
Timber Run	Sub. NCC	townhouse	new const.
Baynard House	City	mid-rise	new const.
Chelmsford	Sub. NCC	townhouse	new const.
Rockford Park	City	garden	conversion
Rockford Tower	City	garden	conversion
Denhigh Hall	City	mid-rise	conversion
Delaware Hall	City	mid-rise	conversion
The Devon	City	high-rise	conversion
English Village	Kent	garden	conversion
Williamsburg Village	Sub. NCC	townhouse	conversion
Beacon Hill	Sub. NCC	townhouse	conversion
Old Colonial Village	Sub. NCC	garden	conversion
Rodney Court	City	high-rise	coop conv.
River Park	Sub. NCC	high-rise	coop conv.

These total about 2,000 units, or approximately 1% of the state's 226,000 housing units.

Until recently, condominiums have not been too popular locally. But their greater acceptability nationally, renewed interest in city living, smaller household sizes, and their reasonable cost compared to single-family homes, have served to change those attitudes in the last two years. The most dramatic evidence of these new attitudes has been the conversion of over 1,000 rental units to condominiums in eight projects in the last eighteen months.

To place things in perspective, though, remember that these 1,000 units constituted only 2% of the State's 48,000 multifamily housing units. At the present rate, then, it would take 72 years for the entire rental supply to be converted. What makes conversions conspicuous is that the most luxurious and best-known complexes are the ones converted first.

CONVERSION: WHY AND HOW

The single most important fact to remember in considering the issue of condominium conversions is that rental housing in America today is a money-losing proposition. Profits are made only as a result of having built the housing ten, twenty or thirty years ago, at 1950, 1960 or 1970 prices or as a result of having a mortgage of the same age, or through subsidies (such as the federal Section 8 program). The last ten years of multifamily construction tells the tale:

Table 2 Delaware Multi-family Housing Starts, 1970-79*

	Total	Subsidized Units	Unsubsidized Units
1970	1,566	316	1250
1971	2,635	208	2417
1972	3,505	265	3240
1973	3,914	-0-	3914
1974	1,209	100	1109
1975	1,111	145	966
1976	171	165	6
1977	1,104	486	618
1978	499	208	291
1979	809	506	303

*Taken from the Quarterly Review of Housing Production and the Delaware State Housing Authority's 1980 annual report.

Rental housing is unprofitable business because the rents that can be charged are too low to cover the high costs of construction and the high interest rates on mortgages.

Table 3. Monthly rents required to provide a given rate of return on investment (based on 50% expense and rent-loss ratio)

Development Cost per unit:	Rate of Return on investment				
	6%	8%	10%	12%	14%
$50,000	$500	$666	$834	$1000	$1166
40,000	400	533	667	800	933
30,000	300	400	500	600	700
20,000	200	267	333	400	467

Of late, construction costs in Delaware have been in the $30,000-$40,000/unit range, mortgages have been 14% (at least), and market rents have ranged from $250-$400 a month, depending on location and amenities.

The rate of return referred to is calculated on the entire cost of the project, and is roughly analogous to the interest rate on the mortgage financing. A mortgage lender is reluctant to make a loan unless he is shown that the project will throw off enough cash to pay him back. And unless the investor earns a return equal to or greater than the mortgage rate, he is better off investing his money in mortgages than in building an apartment complex.

Two factors complicate the equation. One is the very substantial tax benefits that owners of rental property receive, principally as a result of the deductibility of depreciation, a non-cash expense. In economic terms, this can be thought of as the icing on the cake, extra return that compensates for the extra risks of owning and managing the real estate. The second factor is the question of resale price. Real estate is commonly thought to be guaranteed to appreciate. This popular idea is based on the experience of single-family homes, primarily owner-occupied, for the last forty years. It does not necessarily apply to rental housing. Homeowners have to live somewhere: hence they are willing to bid up prices to the limits permitted by their income in order to obtain housing. An apartment complex, on the other hand, is like a fixed-income investment, in that it offers its owner a certain return on his investment each year, expressed as a percentage of the capital invested (the owners equity). If the market rate of interest rises,the rents must also rise, or else the property is worth less, in the same way that the price of a bond declines when the interest rates rise.

If the owner of an apartment complex wishes to sell, he can sell it to another investor, at a price determined by the return on the property as an investment, or, he can sell it to someone as an owner-occupied property, at a much higher price.

Table 4. Market Value per Unit at Given Rents and Rates of Return (50% expense ratio)

		6%	8%	10%	12%	14%
Monthly Rent	$400	$40,000	$30,000	$24,000	$20,000	$17,140
	350	35,000	26,250	21,000	17,500	15,000
	300	30,000	22,500	18,000	15,000	12,860
	250	25,000	18,750	15,000	12,500	10,700
	200	20,000	15,000	12,000	10,000	8,570

Given market rents and interest rates, the fair market value of a rental unit in the State of Delaware is roughly 11,000-$17,000. This explains why there are not many sales of apartment complexes, for most owners refuse to sell at such prices. It also explains the attraction of conversion, because converted units sell for $25,000 and up, depending on size, location, and amenities.

The motive to convert is clear-cut. The method is somewhat more complicated. For tax reasons (so that the IRS considers the owner's gain on the sale to be a long-term capital gain as opposed to ordinary income), the original owner usually sells the complex to a professional condominium converter.

The converter spruces up the property, perhaps making substantial repairs, and then launches a all-out selling campaign. Usually, application for local government approval of the conversion (legally a proposed subdivision of the property) is made simultaneous with the sales campaign.

Invariably the first offer is made to the tenants, with those who buy being given a discount (often as large as 20-25%) off the price charged to the general public.

While the tenants make up their mind whether to buy or not (unless regulated by local ordinances, the decision periods have ranged from ten to sixty days), the converter solicit refundable deposits (typically, $100 to $500) that give a prospective buyer from the general public a place on a priority waiting list. One favorite tactic during this period is the deliberate withholding of information from buyers. "Don't call, don't write, don't come by our offices ... just send your check for $500 and wait for our letter. Another is a schedule of regular price increases, say $1,000 a unit every two weeks or a month, to encourage buyers to act quickly. The clever converter seeks to give the impression that all units are sold, even if this is not true in order to build a stampede psychology, particularly among the tenants. One reason for this is that a majority of the units must sell in that first rush or else the converter is in trouble. All the units are up, paid for, and with a mortgage loan against them with the interest payments due every month. It is not like a single family development where a builder has a piece of land that he can spend some years building out, selling fifty homes this year and fifty the next.

The amount of information given to the prospective buyer varies. Some converters give warranties on the mechanical and electrical systems; some do not. Some give buyers a written evaluation of the systems by a reputable engineering firm; some sell the building in "as is" condition, with no guarantees that it meets the building codes, leaving buyers to inspect fifty-year old furnaces and form their own opinions.

The proposed budget for the condominium association is another area where practices vary. Some converters show the buyers the actual expenses of the project over the previous two or three years; some do not. Some converters include funding of replacement reserves (cash set aside for repairs or replacements of such things as elevators, furnaces, roofs) in the association budget; others do not. Regrettably, the incentives are for the converter to understate the budget, so that buyers monthly payments appear lower. But such actions lay the seeds for future troubles (unfortunately, usually after the seller has departed the scene).

These problems are not particularly unique to condominium buyers, except that when they crop up they are shared by all the owners, rather than inflicted on a single owner. (Many times existing homes are sold, and the maintenance is more expensive than anticipated, and the furnace breaks down, etc.)

They can be avoided in two ways. First, the primary mortgage lender of the permanent financing (most converters buy a forward commitment of mortgage money from one institution, or at least steer their buyers to one place for financing) can insist that certain standards be met. This protects him against future problems, because, after all, he has to live with the loans for thirty years. Secondly, consumer protection legislation can establish the minimum standards. This approach is discussed later in the article.

WHO BUYS THE CONVERTED UNITS?

According to a study recently released by the U.S. Department of Housing and Urban Development, 22% of all units converted were purchased by the tenants of the project, and another 20% continued to live there as renters, leasing their units from investor-purchasers, or from the converter.

The Delaware experience is not as well quantified. Knowledgeable observers of the real estate market here estimate that 50-60% of the converted units are purchased by the project's tenants. Fewer units are puchased by investors or retained by the converters than in other markets, possibly because the appreciation of real estate prices has been less dramatic here.

The tenants who remain as owners invariably see their housing costs increase dramatically. In economic parlance, they change from below market rent to a market rent ("rent" being a proxy for all housing costs). The following table illustrates the changes for the renter of a typical apartment.

Table 5. Changes in Monthly Housing Costs After Conversion (assuming a 11 1/2%, 30-year mortgage for 95% of property value).

Project	Rent	Mortg.	Taxes	Condo.	PMI	Total	Increase
The Devon	600	725	58	245	15	1043	74%
Williamsburg Village	280	229	26	66	6	327	17%
Denhigh Hall	295	347	38	144	7	536	82%
Old Colonial Village	350	555	42	56	12	665	90%

The assumptions used in the table are a compromise. Mortgage rates over the last three years, for example, have ranged from 8 1/2% to 16%. The tax deductibility of mortgage interest and real estate taxes reduces the effective costs somewhat. But the benefit varies with the buyers income tax bracket, and is usually minimal for senior citizens, whose income is either low and/or tax-sheltered.

Of the buyers who did not live in the complex prior to conversion, about one-quarter are moving from housing that they owned, and three-quarters come from other rental housing. On net, the HUD study concludes, for every one hundred apartments converted, rental vacancies in the local market decline by five units. In other words, out of one hundred tenants in a building prior to conversion, forty-two buy in the building, eleven move out and buy homes elsewhere, forty-two (in effect) occupy rental units vacated by incoming condo. buyers, and five occupy units from the area's pool of vacancies.

If this pool of vacancies is low, as it is in many markets around the country, hardships are imposed on the tenants forced to move out. In such situations, many households "disappear". That is, people share housing with friends or relatives. The demographics of the buyers vary from cities to suburb. In city conversions, the most dramatic contrast between the old residents and the new buyers of the converted units is not prior form of tenure or income, it is age. According to the HUD study, the new residents tend to be young, middle-income, first-time homeowners, while the majority of previous residents were elderly. While the annual incomes are approximately the same, the differences in perspective between young, white collar professionals starting their career and senior citizens on fixed incomes is substantial. In many ways it is a generational conflict, because for young people, condominiums often are the best opportunity for homeownership at a reasonable price in a decent neighborhood. But this opportunity can be perceived by the elderly as a threat to their home.

Adding to the difficulty is the fact that many of the elderly city tenants are long-time residents of their units, living there for ten or even twenty years. In the suburbs, where transience is pretty much the rule, and the tenants are younger and more flexible, conversions are easier. In many suburban conversions, there is often little or no difference between the new residents and the old.

IMPLICATIONS FOR PUBLIC POLICY

Condominium conversionspose many problems and questions for public policy and policy-markers. Since, for the most part, the "victims" of conversion are older, affluent, middle-class citizens, and the converter is a single businessman, often not even from the area, the political pressure on government to "do something" about the issue is one-sided and intense. What can government do, and what should it do on this issue?

Most of the solutions to date have been to delay or completely forbid conversions. Moratoriums are the most popular mechanism. Wilmington has had one. Philadelphia, until a state law overturned it, had an eighteen month moratorium, one of the longest in the nation. New York requires that 35% of the tenants approve a conversion before it can take place. Other devices include extending lease terms by legislative fiat, granting lifetime leases to elderly or handicapped tenants, imposing rent control on complexes under conversion, and imposing various disclosure and consumer-protection requirements in connection with the selling of the units.

By and large, these laws are written or inspired from the tenant's perspective, they view conversion as an almost unmitigated evil, something which kicks people out of their homes in the pursuit of obscene profits. Even many of the proposals written in the name of consumer protection are really an attempt to impose so many requirements as to block or discourage conversions. They may for instance, require that the converted units be heavily insulated or have separate utility meters which can be a very expensive propostion in a ten or twenty-year-old high rise.

I would argue that this impulse to ban or minimize conversions is misguided, for it ignores basic economic forces and trends. Such ignorance can cost a city or county dearly over the long run. Conversions occur because of the economic fact that rental housing is a money-losing proposition. Any unprofitable business is a potential source of blight and decay in a neighborhood. A consistent money-loser is doomed to extinction sooner or later. By converting a project to owner occupancy, you create a situation where the inflation-increased income of the occupants helps guarantee that the property will be kept up.

Ownership of rental housing is not a charitable enterprise. Even in older properties, still held by their original owner, the cashflows have been eroded by rising property taxes and utility costs. And any business where you cannot get out, except at fire-sale prices, is not a good business to be in.

The only way to make money in rental housing today is in special situations: distressed properties, slum properties, rehabilitation, one-to-four unit properties where the owner is willing to subsidize it while awaiting a capital gain, and government subsidized projects. Government policy-makers should recognize that conversions are a trend that they halt at their peril. Instead, they should try to manipulate economic forces to help them accomplish their policy objectives. These basic ends of housing policy, are, to my mind, secure, stable, and blight-free neighborhoods, and a decent and affordable home for every family. I believe that these can best be achieved by a two-pronged approach to the problem of rental housing and conversions.

One prong of the problem is the question of consumer protection. Clear ground rules should be established for conversions, to protect the legitimate interests of both the tenants and the unit buyers.

Tenants should get a reasonable period of time to decide whether they wish to buy or not. What is reasonable is open to interpretation, but something between sixty and one hundred twenty days sounds right. The gimmicks used to pressure tenants, such as barraging them with calls and brochures, or increasing the unit price at intervals during the period, should be banned.

A number of steps should also be taken to protect the interest of unit buyers. The first and probably most important of these is full disclosure, in the form of an offering statement, given to every prospective pruchaser on request. It should include:

- The names, addresses, and phone numbers of the owners, converters, and selling agents.
- A complete description of the complex, including floor plans.
- A complete list of proposed selling prices.
- An evaluation of the physical structure, mechanical and electrical system by a reputable independent engineering firm.
- The proposed budget of the condominium association, along with the operating results of the complex for the prior three years.
- An evaluation of the proposed budget by a reputable, independent consultant.
- The proposed articles of association.
- An attorney's opinion that the proposed condominium complies with all applicable federal, state, and local laws.

-Descriptions of any and all leases, management, and maintenance agreements entered into by or binding on the condomimium association.

Other provisions of the law should require that the developer yield control of the project to the resident when between 50% and 70% of the units have been sold, and that the resident-controlled association have the right to terminate for cause leases or agreements entered into by the converter.

Lastly, the seller should be required to certify that the units meet local building codes, and buyers should get a one-to-three year warranty on the structure and systems.

This proposed set of laws is intended not to stop conversions, but to see that they are done the right way. The second avenue of attack to the problem attempts to deal with the problem of the displaced tenants.

The problem we have here is that there are people in need of homes, but unable to pay the market prices or rents for decent housing. The answer to the dilemma is government subsidies for housing.

A number of subsidy programs are in operation. Most of them have clients in the same categories as those people most likely to be displaced by conversion activity. Traditional public housing, administered by five local public housing authorities statewide, is one example. Delaware has approximately 3,000 such units, of which 1,300 arespecifically for the elderly.

A second major program is the Section 8 (Existing) program, federal rental subsidies administered by the local housing authorities. Under this program, single elderly people earning less than $12,650 a year, or couples with an income under $14,450 annually, may select their own housing, pay one-quarter of their monthly income as rent, with the program paying the difference between that and the fair-market rent of the apartment. There are approximately 500 families receiving Section 8 (Existing) subsidies today in the State of Delaware.

Since part of the problem is a physical shortage of decent housing units, a third program encourages the construction of new subsidized housing. This is the Section 8 (New Construction) program, administered by the Delaware State Housing Authority. Under the program, DSHA floats tax-exempt bonds to provide both construction and permanent financing for apratment complexes in which all of the units are subsidized under the Section 8 system. The projects are owned and managed by either limited-profit partnerships, or non-profit community groups. During the same period that 1,000 units were converted to condos (thus creating, according to the HUD study, a "squeeze" of fifty units, that being 5% of 1,000), DSHA started construction on 857 new Section 8 units, of which 500 were exclusively for the elderly.

The fourth type of subsidized housing is the product of a group of federal programs such as Section 202 and Section 236. This has produced housing owned and operated by non-profit sponsors such as Luther Towers I and II, Ingleside, Marydale, and Windsor Apartments. While these programs have provided fine housing, Section 236 is no longer active, and Section 202 is funded at such a low level that new construction under it in Delaware is quite infrequent.

All four of these programs have a generally good track record at providing housing for needy persons and families. The best course for policy-makers to pursue is to encourage the construction of such units in areas impacted by condo conversions. Such encouragement could take the form of zoning approvals, use of community-development funds for land acquisition and write-downs, and lobbying federal officials and legislators for larger and more generous allocations of subsidy monies.

These are the conventional, established houisng subsidy programs. There are some possibilities for new or unconventional programs to encourage the creation or preservation of rental housing.

One possibility is tapping the tremendous interest among individual investors in owning single rental units. The proceeds of a tax exempt bond issue could be used to finance individual condos in a project, which would be owned by an investor and rented to a tenant who made less than the Section 8 income limits. In return for the below-market interest rate, the investor would agree to charge a reasonable rent, and maintain its status as a rental property for a certain period, five, ten, or fifteen years.

Tax exempt bonds issued for this purpose would be exempt from the Ullman Bill (proposed federal legislation that severely limits the use of tax-exempt financing for housing). It would be possible to have each mortgage loan privately insured, so that the issuer and bondholder would be protected against defaults. And lastly, a diversified loan portfolio, spread among a number of condo complexes, with no more than 10-20% of any one complex financed, would be strong security for a bond issue, and considered comparable to the highly rated single-family bond issues.

Another possible innovation is the combination of tax-exempt financing and community development grants to produce new market-rate rental housing. Unfortunately, the economics of new rental housing are so bad, that tax-exempt financing alone does not make it feasible. Other elements must be present such as cash grants, gifts of land, or an existing structure (rehabilitation), before projects can be built.

Another relatively new program addresses the affordability problem that tenants of moderate income face when they decide to purchase their units. Single-family mortgage programs, which provide below-market rate mortgage loans for owner-occupied housing, have exploded on the Delaware scene in the last two years. Condominiums are eligible for financing under them. The largest program is administered by the Delaware State Housing Authority, with 3,600 borrower/beneficiaries, approximately 3% occupying condos. DSHA's policy regarding condos is that we neither encourage nor discourage conversions. We will not set aside or reserve mortgage money for converters, nor will we finance more than 20% of any existing single-family development or condominium project. On the other hand, buyers of condos are eligible to apply for mortgage loans on a first-come, first-served basis along with the rest of the general public.

Other mortgage programs, administered by various local governments, have taken differing approaches. The City of Wilmington's program had no restrictions whatsoever, and their financing figured prominently in one of the early conversions. New Castle County's program limited condos to 5% of their mortgage portofolio, with sublimits depending on the size of the mortgage. But this type of rule does not deal with the potential problems of concentration in a single project.

The tax-exempt single family programs are a way for tenants of moderate income to acquire their unit at a lower cost than they would otherwise have to pay. Thus, it moderates some of the increases in housing costs.

To sum it up, the objectives of housing policy are best served by well-designed and well-administered subsidy programs for those who need it, and clear reasonable ground rules that allow the private marketplace to function well and efficiently for the rest.

HOUSING PRODUCTION, THIRD QUARTER, 1980

Amid hints of continued recession, housing production in Delaware made a comeback in the third quarter, totalling 1,293 units, the first upward mobility in housing production in a year. The really interesting factor behind this progress was the involvement of public enterprise in an otherwise depressed housing market. In the summer of 1980, another issue of Single Family revenue bonds enabled the Delaware State Housing Authority to administer low interest mortgage money to more home buyers in Delaware. In the multi-family area of residential construction, 278 new units were started in the third quarter; nearly half were started in Sussex County, all state financed. Without state involvement, the housing picture in Delaware in the third quarter of 1980 would have been a bleak repeat of the second quarter.

The third quarter breakdown for housing production totalled 745 single family units (57.6%), 278 multi-family units (21.5%), and 270 new mobile home sales (20.1%). Aside from mobile home production, housing in the third quarter experienced gains in all counties of Delaware.

New Castle County showed a gain of nearly 97% over the previous quarter, (539 units) and rose 50% relative to the same period of 1979 in the single family market. Multi-family production rose 41% compared to the third quarter of 1979, and was the first such activity since the first quarter of 1980, (152 units).

In comparison, Kent County experienced a rise in single family production of 32% from the second quarter (58 units). This rise was down 24% relative to the same period in 1979. There was no new multi-family production in Kent County during the third quarter of 1980.

Sussex County gained by a factor of 10% in single family production during the third quarter (145 units), and by 29% compared to the third quarter of 1979. Multi-family production in Sussex rose 142% over the previous quarter, and 186% over the third quarter of 1979, (126 multi-family units).

CONSTRUCTION COSTS

**Reported from building permits; costs of land, architectural services, and engineering are not included.*

Statewide, on-site residential construction cost totalled $28,469,958 over 70% above the previous quarter, and 6% above the total of one year ago. This may be explained by the increased volume of construction experienced in the third quarter. In contrast, average costs for on-site construction fell from $32,338 in the second quarter, to $27,830 in the third. This 14% drop may be linked to the prevalence of smaller and cheaper single family unit construction in New Castle County.

New Castle County experienced a 116% rise in construction costs from the second quarter, ($17,647,739). This was also 34% higher than the total recorded in the third quarter of 1979. Average cost of a single family home in New Castle was $22,872, down 23% from the previous quarter, and down by 19% from one year ago. Average on-site costs were down by 14% from the previous quarter, and fell nearly 10% relative to the third quarter of 1979.

Kent County's on-site total was $2,157,126 down a slight 6% from the previous quarter, and 113% below the same figure for the third quarter of 1979. There were no multi-family starts in Kent County for the third quarter of 1980; the on-site figure is solely from single family construction activity. Average cost for a single family home in Kent County was $34,792 down by 18% from $42,386 recorded in the previous quarter, and down 13% from $40,016 recorded in the third quarter of 1979.

Total on-site costs for Sussex County were $8,944,093 up 42% from the previous quarter, and nearly equal to the total for the third quarter of 1979. Single family costs totalled $5,744,293--15% above the figure for the second quarter, and 27% below the total for the third quarter of 1979. Multi-family costs totalled $3,199,800, over twice the amount invested in new construction in the second quarter, plus three times the amount of the third quarter of 1979. Average cost of a single family dwelling was $39,804--nearly equal to the amount for the second quarter and the same period in 1979. Average cost of a multi-family unit was $25,395 a mere 6% above the second quarter, and nearly 6% above the figure for the third quarter of 1979.

MOBILE HOME PRODUCTION

Statewide mobile home activity was up by 30% from the second quarter, but down by 54% from the figure recorded a year before. New Castle County saw a rise of 7 units to total 24 for the third quarter, up from 17 in the second quarter, but down by 45% from the same time last year. Kent County rose 33% from the second quarter of 1979. Sussex County saw a 24% rise in mobile home sales, but this was dampened by a 25% drop in sales compared to the third quarter of 1979.

FEDERAL ASSISTANCE

Direct loans, subsidies, mortgage insurance, and mortgage guarantees for single family homes totalled 24 during the third quarter.

The Farmers Home Administration did not report any loans for new houses this quarter. The Federal Housing Administration reported 8 units with insured mortgages, (36.4%), while the Veterans Administration reported 14 guaranteed loans (63.6%).

PUBLIC INVOLVEMENT

The Delaware State Housing Authority was the only public agency involved in new construction in the third quarter, based on data from building permits. A total of 278 units were started, 152 in New Castle County and 126 in Sussex County.

THE NATION

The U.S. Department of Commerce reported that on-site housing starts were:

113,894 in July
116,207 in August
143,448 in September
373,549 for the quarter

The above figures include single family and multi-family units. Single family starts were:

74,005 in July
74,883 in August
79,908 in September
228,796 for the quarter

Multi-family starts including Public Housing were:

39,889 in July
41,324 in August
63,540 in September
144,753 for the quarter

HOUSING PRODUCTION STATISTICS

CHART 1-A: ON-SITE PERMITS ISSUED
NEW CASTLE COUNTY

		1979			1980			
Location	Structure	3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Wilmington	Sngl. fam.	11	16	60	36	9	13	58
	Multi-fam.	0	0	136	0	0	0	0
	Total	11	16	196	36	9	13	58
Newark	Sngl. fam.	3	15	25	0	3	3	6
	Multi-fam.	0	0	150	0	0	0	0
	Total	3	15	175	0	3	3	6
New Castle	Sngl. fam.	1	0	5	1	2	0	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	0	5	1	2	0	3
Elsmere	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
NCC Balance	Sngl. fam.	344	225	1,095	193	260	523	976
	Multi-fam.	108	0	280	216	0	152	368
	Total	452	225	1,375	409	260	675	1,344
NCC Total	Sngl. fam.	359	256	1,185	230	274	539	1,043
	Multi-fam.	108	0	566	216	0	152	368
	Total	467	256	1,751	446	274	691	1,411

CHART 1-B: ON-SITE PERMITS ISSUED
KENT COUNTY

		1979			1980			
Location	Structure	3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Dover	Sngl. fam.	30	l7	83	11	2	2	15
	Multi-fam.	6	149	161	0	0	0	0
	Total	30	166	244	11	2	2	15
Smyrna	Sngl. fam.	1	1	7	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	1	7	0	0	0	0
Milford	Sngl. fam.	0	3	3	0	0	1	1
	Multi-fam.	0	0	0	0	11	0	11
	Total	0	3	3	0	11	1	11
Harrington	Sngl. fam.	0	1	1	0	2	1	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	1	1	0	2	1	3
Camden	Sngl. fam.	2	0	2	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	0	2	0	0	0	0
Kent County Balance	Sngl. fam.	79	80	275	32	44	58	134
	Multi-fam.	0	0	0	0	0	0	0
	Total	79	80	275	32	44	58	134
Kent County Total	Sngl. fam.	112	102	372	43	48	62	153
	Multi-fam.	6	149	161	0	11	0	11
	Total	118	251	533	43	59	62	164

CHART 1-C: ON-SITE PERMITS ISSUED
SUSSEX COUNTY

Location	Structure	1979			1980			
		3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Bethany	Sngl. fam.	9	13	36	0	6	2	8
	Multi-fam.	4	8	28	0	0	0	0
	Total	13	21	64	0	6	2	8
Laurel	Sngl. fam.	1	2	4	1	4	0	5
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	2	4	1	4	0	5
Lewes	Sngl. fam.	1	0	2	0	1	0	1
	Multi-fam	0	0	2	0	0	0	0
	Total	1	0	4	0	1	0	0
Milford	Sngl. fam.	5	2	9	1	1	0	1
	Multi-fam.	40	0	40	0	0	0	0
	Total	45	2	49	1	1	0	1
Rehoboth	Sngl. fam.	10	1	23	0	6	3	4
	Multi-fam.	0	0	0	0	0	0	0
	Total	10	1	23	0	6	3	4
Seaford	Sngl. fam.	2	2	5	1	1	1	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	2	5	1	1	1	3
Milton	Sngl. fam.	0	0	1	0	0	1	1
	Multi-fam.	0	0	0	0	32	0	32
	Total	0	0	1	0	32	1	33
Millsboro	Sngl. fam.	0	0	1	0	1	0	1
	Multi-fam.	0	0	0	0	20	52	72
	Total	0	0	1	0	21	52	73
Georgetown	Sngl. fam.	0	1	5	0	2	1	3
	Multi-fam.	0	0	8	0	0	74	74
	Total	0	1	13	0	2	75	77
Balance Sussex County	Sngl. fam.	172	144	556	135	110	135	380
	Multi-fam.	0	0	4	0	0	0	0
	Total	172	144	556	135	110	135	380
Sussex County Total	Sngl. fam.	200	165	642	138	132	145	415
	Multi-fam.	44	8	82	0	52	126	178
	Total	244	173	724	138	184	271	593
State Total	Sngl. fam.	672	523	2,199	411	454	745	1,610
	Multi-fam.	158	157	809	216	63	278	557
	Total	830	680	3,008	627	517	1,023	2,165

CHART 2-A: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

Location	Structure	1979 (000's) 3rd QTR	4th QTR	Total	1980 (TOTAL COST) 1st QTR	2nd QTR	3rd QTR	Total
Wilmington	Sngl. fam.	1,024	717	3,206	1,641,228	540,000	784,000	2,965,228
	Multi-fam.	0	0	3,836	0	0	0	0
	Total	1,024	717	7,042	1,641,228	540,000	784,000	2,965,228
Newark	Sngl. fam.	128	290	655	0	87,000	80,500	167,500
	Multi-fam.	0	0	3,725	0	0	0	0
	Total	128	290	4,378	0	87,000	80,500	167,500
New Castle	Sngl. fam.	25	0	110	36,600	56,000	0	92,600
	Multi-fam.	0	0	0	0	0	0	0
	Total	25	0	110	36,600	56,000	0	92,600
Elsmere	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
NCC Balance	Sngl. fam.	10,292	6,988	33,492	5,337,786	7,483,925	11,463,239	24,284,950
	Multi-fam.	1,728	0	4,190	2,500,776	0	5,320,000	7,820,776
	Total	12,020	6,988	37,682	7,838,562	7,483,925	16,783,239	32,105,726
NCC Total	Sngl. fam.	11,469	7,995	37,463	7,015,614	8,166,925	12,327,739	27,510,278
	Multi-fam.	1,728	0	11,749	2,500,776	0	5,320,000	7,820,776
	Total	13,197	7,995	49,212	9,516,390	8,166,925	17,647,739	35,331,054

CHART 2-B: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
KENT COUNTY

Location	Structure	1979 (000's) 3rd QTR	4th QTR	Total	1980 (TOTAL COST) 1st QTR	2nd QTR	3rd QTR	Total
Dover	Sngl. fam.	923	562	2,817	321,000	99,000	34,000	454,000
	Multi-fam.	120	5,653	5,893	0	0	0	0
	Total	1,043	6,215	8,710	321,000	99,000	34,000	454,000
Smyrna	Sngl. fam.	35	43	243	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	35	43	243	0	0	0	0
Milford	Sngl. fam.	0	231	231	0	0	60,000	60,000
	Multi-fam.	0	0	0	0	253,772	0	253,772
	Total	0	231	231	0	253,772	60,000	313,772
Harrington	Sngl. fam.	0	39	63	0	73,135	26,950	100,085
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	39	63	0	73,135	26,950	100,085
Camden	Sngl. fam.	61	0	61	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	61	0	61	0	0	0	0
Kent County Balance	Sngl. fam.	3,463	3,129	11,488	1,386,900	1,862,383	2,036,176	5,285,459
	Multi-fam.	0	0	0	0	0	0	0
	Total	3,463	3,129	11,488	1,386,900	1,862,383	2,036,176	5,285,459
Kent County Total	Sngl. fam.	4,482	4,004	14,903	1,707,900	2,034,518	2,157,126	5,899,544
	Multi-fam.	120	5,653	5,893	0	253,772	0	253,772
	Total	4,602	9,657	20,796	1,707,900	2,288,290	2,157,126	6,153,316

CHART 2-C: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
SUSSEX COUNTY

		1979 (000's)			1980 (TOTAL COST)			
Location	Structure	3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Bethany	Sngl. fam.	217	534	1,382	0	253,600	109,000	362,600
	Multi-fam.	100	200	700	0	0	0	0
	Total	317	734	2,082	0	253,600	109,000	362,600
Laurel	Sngl. fam.	29	75	132	29,800	121,250	0	151,050
	Multi-fam.	0	0	0	0	0	0	0
	Total	29	75	132	29,800	121,250	0	151,050
Lewes	Sngl. fam.	40	0	55	0	50,000	0	50,000
	Multi-fam	0	0	7	0	0	0	0
	Total	40	0	62	0	50,000	0	50,000
Milford	Sngl. fam.	184	61	395	29,500	34,500	139,500	203,500
	Multi-fam.	920	0	920	0	0	0	0
	Total	1,104	61	1,315	29,500	34,500	139,500	203,500
Rehoboth	Sngl. fam.	490	51	1,037	0	255,370	129,300	384,670
	Multi-fam.	0	0	0	0	0	0	0
	Total	490	51	1,037	0	255,370	129,300	384,670
Seaford	Sngl. fam.	81	40	221	27,500	35,705	67,685	130,890
	Multi-fam.	0	0	0	0	0	0	0
	Total	81	40	221	27,500	35,705	67,685	130,890
Milton	Sngl. fam.	0	0	26	0	0	0	0
	Multi-fam.	0	0	0	0	800,000	0	800,000
	Total	0	0	26	0	800,000	0	800,000
Millsboro	Sngl. fam.	0	0	29	0	35,891	0	35,891
	Multi-fam.	0	0	0	0	440,000	1,800,000	2,240,000
	Total	0	0	29	0	475,891	1,800,000	2,275,891
Georgetown	Sngl. fam.	0	28	178	0	81,500	37,200	118,700
	Multi-fam.	0	0	150	0	0	1,399,800	1,399,800
	Total	0	28	328	0	81,500	1,437,00	1,518,500
Balance	Sngl. fam.	6,840	5,691	22,182	5,664,402	4,155,462	5,261,608	15,081,472
Sussex	Multi-fam.	0	0	0	0	0	0	0
County	Total	6,840	5,691	22,182	5,664,402	4,155,462	5,261,608	15,081,472
Sussex	Sngl. fam.	7,935	6,480	25,637	5,751,202	5,023,278	5,744,293	16,518,773
County	Multi-fam.	1,020	200	1,945	0	1,240,000	3,199,800	4,439,800
Total	Total	8,955	6,680	27,582	5,751,202	6,263,278	8,944,093	20,958,573
State	Sngl. fam.	23,886	18,479	78,003	14,474,713	15,224,721	19,950,158	49,920,101
Total	Multi-fam.	2,868	5,853	17,587	2,500,776	1,493,772	8,519,800	12,514,348
	Total	26,754	23,332	97,590	16,718,493	16,718,493	28,469,958	62,434,449

CHART 3-A: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

		1979			1980			
Location	Structure	3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Wilmington	Sngl. fam.	93,163	44,813	72,881	45,590	60,000	60,308	51,125
	Multi-fam.	0	0	28,209	0	0	0	0
	Total	93,163	44,813	35,929	45,590	60,000	60,308	51,125
Newark	Sngl. fam.	42,966	19,333	26,268	0	29,000	26,833	27,917
	Multi-fam.	0	0	24,826	0	0	0	0
	Total	42,966	19,333	25,017	0	29,000	26,833	27,917
New Castle	Sngl. fam.	25,000	0	36,666	36,600	28,000	0	30,867
	Multi-fam.	0	0	0	0	0	0	0
	Total	25,000	0	36,666	36,600	28,000	0	30,867
Elsmere	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
NCC Balance	Sngl. fam.	29,919	31,056	30,586	27,657	28,784	21,918	24,882
	Multi-fam.	16,000	0	14,964	11,578	0	35,000	21,252
	Total	26,593	31,056	27,405	19,165	28,784	24,864	23,888
NCC Total	Sngl. fam.	31,953	31,229	31,617	30,503	29,806	22,872	26,376
	Multi-fam.	16,000	0	20,779	11,578	0	35,000	21,252
	Total	28,259	31,229	28,105	21,337	29,806	25,539	25,040

CHART 3-B: AVERAGE COST ON-SITE CONSTRUCTION (REPORTED FROM PERMITS)
KENT COUNTY

Location	Structure	1979			1980			
		3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Dover	Sngl. fam.	30,766	33,073	33,942	29,182	49,500	17,000	30,267
	Multi-fam.	20,000	37,505	36,200	0	0	0	0
	Total	28,972	37,440	35,696	29,182	49,500	17,000	30,267
Smyrna	Sngl. fam.	35,000	42,825	20,404	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	35,000	42,825	29,404	0	0	0	0
Milford	Sngl. fam.	0	76,833	76,833	0	0	60,000	60,000
	Multi-fam.	0	0	0	0	23,070	0	23,070
	Total	0	76,833	76,833	0	23,070	60,000	26,148
Harrington	Sngl. fam.	0	39,000	31,950	0	36,568	26,950	33,362
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	39,000	31,950	0	36,568	26,950	33,362
Camden	Sngl. fam.	30,387	0	30,387	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	30,387	0	30,387	0	0	0	0
Kent County Balance	Sngl. fam.	43,835	39,108	42,293	43,341	42,327	35,106	39,444
	Multi-fam.	0	0	0	0	0	0	0
	Total	43,835	39,108	42,293	43,341	42,347	35,106	39,444
Kent County Total	Sngl. fam.	40.016	39,248	39,682	39,719	42,386	34,792	38,559
	Multi-fam.	20,000	37,505	36,200	0	23,070	0	23,070
	Total	39,000	38,474	39,017	39,719	38,785	34,792	37,520

CHART 3-C: AVERAGE COST ON SITE CONSTRUCTION
(REPORTED FROM PERMITS)
SUSSEX COUNTY

		1979			1980			
Location	Structure	3rd QTR	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	Total
Bethany	Sngl. fam.	30,140	41,066	38,437	0	42,267	54,500	45,325
	Multi-fam.	25,000	25,000	46,429	0	0	0	0
	Total	24,385	34,952	32,537	0	30,313	54,500	45,325
Laurel	Sngl. fam.	29,100	37,400	32,975	29,800	0	0	30,210
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,100	37,400	32,975	29,800	0	0	30,210
Lewes	Sngl. fam.	40,000	0	27,500	0	50,000	0	50,000
	Multi-fam	0	0	3,750	0	0	0	0
	Total	40,000	0	15,500	0	50,000	0	50,000
Milford	Sngl. fam.	36,800	30,350	43,888	29,500	34,500	69,750	50,870
	Multi-fam.	23,000	0	23,000	0	0	0	0
	Total	24,533	30,350	26,837	29,500	34,500	69,750	50,870
Rehoboth	Sngl. fam.	49,046	51,000	45,159	0	42,562	43,100	42,741
	Multi-fam.	0	0	0	0	0	0	0
	Total	49,046	51,000	45,159	0	42,562	43,100	42,741
Seaford	Sngl. fam.	40,620	20,000	44,248	27,500	35,705	67,685	43,630
	Multi-fam.	0	0	0	0	0	0	0
	Total	40,620	20,000	44,248	27,500	35,705	67,685	43,630
Milton	Sngl. fam.	0	0	26,000	0	0	0	0
	Multi-fam.	0	0	0	0	25,000	0	25,000
	Total	0	0	26,000	0	25,000	0	25,000
Millsboro	Sngl. fam.	0	0	29,650	0	35,891	0	35,891
	Multi-fam.	0	0	0	0	22,000	34,615	31,111
	Total	0	0	29,650	0	22,661	34,615	31,177
Georgetown	Sngl. fam.	0	28,000	35,879	0	40,750	37,200	39,567
	Multi-fam.	0	0	18,750	0	0	18,916	18,816
	Total	0	28,000	25,231	0	40,750	19,160	19,721
Balance Sussex County	Sngl. fam.	39,765	39,523	39,943	41,675	38,056	39,616	39,804
	Multi-fam.	0	0	31,628	0	23,846	25,395	24,943
	Total	39,765	39,523	38,097	41,675	34,040	33,004	35,343
Sussex County Total	Sngl. fam.	39,678	39,271	39,943	41,675	38,056	39,616	39,804
	Multi-fam.	24,000	25,000	31,628	0	23,846	25 395	24,943
	Total	36,701	38,613	38,097	41,675	34,040	33,004	35,343
State Total	Sngl. fam.	35,601	35,330	35,476	35,218	33,535	26,779	31,006
	Multi-fam.	19,945	36,868	25,376	11,578	23,711	30,647	22,467
	Total	32,234	34,311	32,443	27,074	32,338	27,830	28,811

CHART 4

MOBILE HOME PRODUCTION

	1979			1980			
COUNTY	3rd QTR	4th QTR	TOTAL	1st QTR	2nd QTR	3rd QTR	Total
New Castle	44	6	98	54	17	24	95
Kent	213	150	584	78	94	127	299
Sussex	159	138	466	42	96	119	257
STATE TOTAL	416	294	1,148	174	207	270	651

CHART 5

REHABILITATION HOUSING

LOCATION	NUMBER OF UNITS AND COST							
	1980 (TOTAL COST)				1979 (000's)			
	TOTAL		3rd QTR.		TOTAL		3rd QTR.	
	UNITS	COST	UNITS	COST	UNITS	COST	UNITS	COST
Wilmington	217	2,796,252	68	1,028,872	345	2,904	64	754
Newark	14	136,080	5	58,200	26	366	8	95
New Castle	0	0	0	0	2	104	0	0
Elsmere	6	37,140	1	15,350	14	63	8	42
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	126	1,349,850	45	606,350	127	1,047	33	246
New Castle County Total	357	4,319,322	119	1,708,722	523	4,484	113	1,137
Dover	12	73,000	--	--	105	470	18	81
Smyrna	2	26,240	1	21,000	3	14	0	0
Milford (K)	6	20,003	0	0	6	104	3	14
Harrington	1	7,000	0	0	1	9	0	0
Camden	--	--	--	--	2	10	1	5
Kent County Balance	35	414,864	16	223,100	47	568	11	156
Kent County Total	49	541,107	17	244,100	164	1,175	33	256
Bethany	7	57,050	2	19,650	0	0	0	0
Laurel	4	22,431	0	0	14	55	12	24
Lewes	7	63,957	3	30,500	22	228	3	25
Milford (S)	3	25,000	3	25,000	22	171	11	31
Rehoboth	39	208,540	0	0	150	586	26	87
Seaford	5	39,980	0	0	29	142	8	27
Milton	0	0	0	0	7	46	3	18
Millsboro	8	119,179	2	24,000	31	131	10	11
Georgetown	0	0	0	0	0	0	0	0
Sussex County Balance	62	750,981	33	460,067	124	1,411	17	198
Sussex County Total	135	1,287,118	43	559,217	399	2,770	90	421
STATE TOTAL	541	6,147,547	179	2,512,089	1,086	8,429	236	1,814

CHART 6

LOCATION	RESIDENTIAL DEMOLITIONS AND CERTIFICATES OF OCCUPANCY							
	NUMBER OF UNITS DEMOLISHED				NUMBER OF OCCUPANCY PERMITS			
	1980		1979		1980		1979	
	TOTAL	QTR	TOTAL	QTR	TOTAL	QTR	TOTAL	QTR
Wilmington	69	8	107	32	82	-	206	42
Newark	0	0	4	1	162	155	21	4
New Castle	0	0	0	0	0	0	0	0
Elsmere	0	0	1	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	37	19	28	8	-	-	1,702	467
New Castle County Total	106	27	140	41	244	155	1,929	505
Dover	-	-	15	2	-	-	135	41
Smyrna	0	0	8	6	0	0	4	0
Milford (K)	3	0	2	0	0	0	2	2
Harrington	4	1	2	0	0	0	1	1
Camden	-	-	-	-	-	-	2	2
Kent County Balance	40	15	50	13	-	-	-	-
Kent County Total	47	16	78	21	-	-	144	46
Bethany	3	1	1	0	52	7	70	27
Laurel	6	0	23	1	5	0	7	3
Lewes	2	0	4	1	0	0	5	1
Milford (S)	1	1	0	0	47	2	11	4
Rehoboth	1	0	2	0	17	5	18	3
Seaford	2	1	3	0	2	1	4	2
Milton	0	0	3	0	0	0	0	0
Millsboro	0	0	0	0	0	1	33	0
Georgetown	0	0	0	0	1	1	8	0
Sussex County Balance	0	0	0	0	216	-	747	159
Sussex County Total	15	3	36	2	340	-	903	199
STATE TOTAL	168	46	254	64	584	-	2,976	750

CHART 7

HEATING FUEL IN NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS WITH SPECIFIED FUEL															
	3rd Quarter 1980				Total 1980				3rd Quarter 1979				Total 1979			
	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other
Wilmington	0	0	13	0	0	2	56	0	4	1	6	0	10	151	35	0
Newark	0	0	3	0	0	0	6	0	2	1	0	0	10	151	14	0
New Castle	0	0	0	0	0	0	0	0	0	1	0	0	2	1	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	173	283	67	0	507	541	144	0	247	43	162	0	910	91	373	1
N.C. Co. Total	173	283	67	0	507	543	206	0	253	46	168	0	932	394	422	1
Dover	0	0	1	0	6	0	1	0	30	6	0	0	74	6	164	0
Smyrna	0	0	0	0	0	0	0	0	0	1	0	0	5	1	1	0
Milford (K)	0	0	1	0	0	12	0	0	0	0	0	0	2	0	1	0
Harrington	0	0	1	0	0	0	3	0	0	0	0	0	1	0	1	0
Camden	--	--	--	--	--	--	--	--	0	1	1	0	0	1	1	0
K. Co. Balance	2	7	45	4	7	19	99	8	39	1	36	3	103	7	147	3
K. Co. Total																
Bethany	0	0	8	0	0	0	2	0	0	0	13	0	0	0	64	0
Laurel	0	0	0	0	0	0	5	0	0	0	1	0	0	0	2	0
Lewes	0	0	0	0	0	0	1	0	1	0	0	0	4	0	0	0
Milford (S)	0	0	2	0	0	0	3	0	0	0	45	0	0	0	49	0
Rehoboth	0	0	3	0	0	0	9	0	0	0	10	0	2	1	20	0
Seaford	0	0	1	0	0	0	3	0	0	1	1	0	1	2	2	0
Milton	0	0	1	0	0	0	33	0	0	0	0	0	0	0	1	0
Millsboro	0	0	52	0	0	0	73	0	0	0	0	0	1	0	0	0
Georgetown	0	0	77	0	0	0	79	0	0	0	0	0	8	0	5	0
S. Co. Balance	3	6	129	10	12	11	266	19	16	0	153	3	64	5	466	5
S. Co. Total	3	6	255	10	12	11	474	19	27	1	223	3	81	8	610	5
STATE TOTAL	178	296	386	14	532	585	783	17	339	56	428	6	1,198	417	1,347	9

CHART 8

SQUARE FOOTAGE OF NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS BY SQUARE FOOT PER UNIT											
	3rd QTR 1980			TOTAL 1980			3rd QTR 1980			TOTAL 1980		
	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500
Wilmington	0	0	13	0	0	58	136	18	42	0	10	1
Newark	0	0	3	0	0	6	150	0	25	0	0	3
New Castle	0	0	0	0	0	0	0	1	2	0	1	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	341	156	178	348	524	427	191	415	769	112	113	227
N.C. Co. Total	341	156	178	348	524	427	477	434	838	112	124	231
Dover	0	1	0	0	6	8	149	22	59	0	6	30
Smyrna	0	0	0	0	0	0	0	7	10	0	0	1
Milford (K)	0	0	1	11	0	1	0	4	3	0	0	0
Harrington	0	1	0	0	3	0	0	1	0	0	0	0
Camden	--	--	--	--	--	--	0	1	1	0	1	1
K. CO Balance	3	36	19	8	71	54	3	105	167	2	30	47
K. Co. Total	3	38	20	19	80	63	152	140	240	2	37	79
Bethany	0	8	0	0	2	0	0	64	0	0	13	0
Laurel	0	0	0	0	5	0	0	3	1	0	1	0
Lewes	0	0	0	0	0	1	2	2	0	0	1	0
Milford (S)	0	0	2	0	2	2	40	8	1	40	5	0
Rehoboth	0	2	1	0	8	1	0	13	10	0	7	3
Seaford	0	1	0	1	2	0	0	4	1	0	2	0
Milton	0	1	0	32	1	0	0	1	0	0	0	0
Millsboro	52	0	0	72	0	1	0	1	0	0	0	0
Georgetown	76	1	0	76	3	0	0	1	13	0	0	0
S. Co. Balance	11	64	47	21	185	146	27	284	249	8	81	83
S. Co. Total	139	77	47	202	208	151	69	393	262	48	110	86
STATE TOTAL	483	271	261	569	812	750	698	967	1,340	162	271	396

CHART 9A

NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	3rd QUARTER 1980								TOTAL 1980							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	0	0	10	0	3	0	0	0	8	0	21	0	40	0
Newark	0	0	0	0	3	0	0	0	0	0	0	0	6	0	0	0
New Castle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	0	0	259	23	212	129	52	0	4	0	275	23	561	129	136	0
NEW CASTLE COUNTY TOTAL	0	0	259	23	215	129	52	0	4	0	283	23	588	129	176	0
Dover	0	0	0	0	1	0	0	0	0	0	0	0	7	0	0	0
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	0	0	0	1	0	0	0	0	4	0	7	1	0	0	0
Harrington	0	0	1	0	0	0	0	0	0	0	1	0	2	0	0	0
Camden	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KENT COUNTY BALANCE	0	0	5	0	35	0	18	0	0	0	15	0	94	0	24	0
KENT COUNTY TOTAL	0	0	6	0	37	0	18	0	0	4	16	7	104	0	24	0
Bethany	0	0	0	0	2	0	0	0	0	0	1	0	7	0	0	0
Laurel	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0
Lewes	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Milford (S)	0	0	0	0	2	0	0	0	0	0	1	0	3	0	0	0
Rehoboth	0	0	0	0	3	0	0	0	0	0	0	0	9	0	0	0
Seaford	0	0	0	0	1	0	0	0	0	2	0	0	0	0	0	0
Milton	0	0	0	0	1	0	0	0	0	0	0	24	1	8	0	0
Millsboro	0	6	0	16	0	16	0	12	0	6	0	16	0	16	0	12
Georgetown	0	24	0	24	1	28	0	0	0	24	0	24	3	28	0	0
SUSSEX COUNTY BALANCE	1	0	32	0	86	0	6	0	6	0	69	0	256	0	18	0
SUSSEX COUNTY TOTAL	1	30	44	40	96	44	6	12	6	32	71	64	285	44	18	12
STATE TOTAL	1	30	309	63	355	173	79	12	10	36	370	94	977	173	218	12

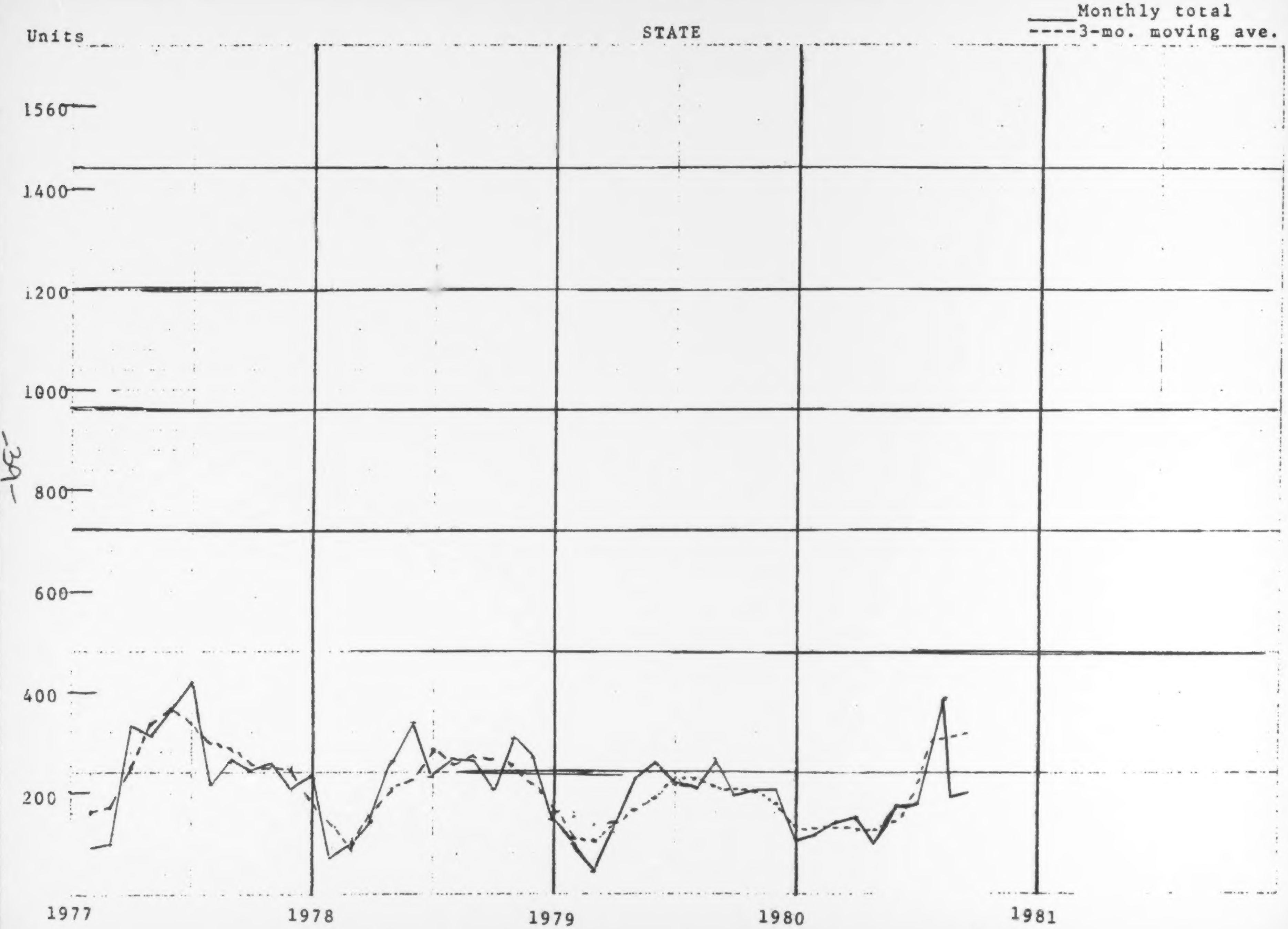
CHART 9B

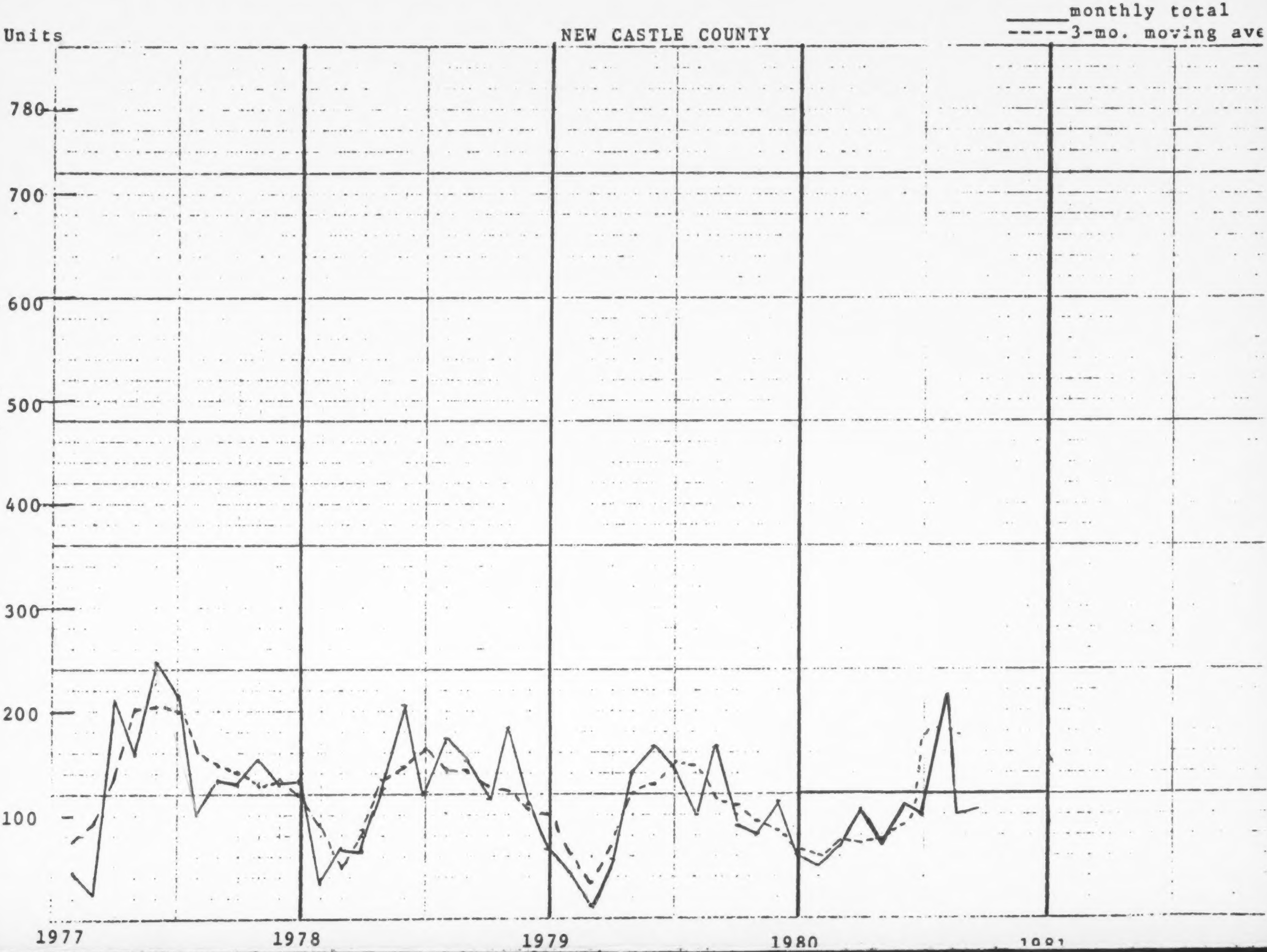
NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	3rd QUARTER 1979								1979							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	0	0	10	0	0	0	0	136	14	0	45	0	0	0
Newark	0	0	0	0	0	0	3	0	0	150	0	0	14	0	11	0
New Castle	0	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	0	108	14	0	224	0	106	0	0	204	27	76	721	0	353	0
NEW CASTLE COUNTY TOTAL	0	108	14	0	235	0	109	0	0	490	41	76	780	0	364	0
Dover	0	0	0	0	30	6	0	0	0	149	0	0	74	12	9	0
Smyrna	0	0	0	0	1	0	0	0	0	0	0	0	7	0	0	0
Milford (K)	0	0	0	0	0	0	0	0	0	0	0	0	2	0	1	0
Harrington	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0
Camden	0	0	0	0	2	0	0	0	0	0	0	0	2	0	0	0
KENT COUNTY BALANCE	0	0	7	0	61	0	11	0	0	0	29	0	207	0	39	0
KENT COUNTY TOTAL	0	0	7	0	94	6	11	0	0	149	29	0	294	12	49	0
Bethany	0	0	1	2	8	2	0	0	0	0	7	10	29	14	4	0
Laurel	0	0	0	0	1	0	0	0	0	0	0	0	4	0	0	0
Lewes	0	0	1	0	0	0	0	0	0	2	1	0	1	0	0	0
Milford (S)	0	0	0	40	5	0	0	0	0	0	0	40	9	0	0	0
Rehoboth	0	0	0	0	8	0	2	0	0	0	1	0	19	0	0	0
Seaford	0	0	0	0	2	0	0	0	0	0	1	0	4	0	0	0
Milton	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Millsboro	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Georgetown	0	0	0	0	0	0	0	0	0	8	0	0	5	0	0	0
SUSSEX COUNTY BALANCE	2	0	26	0	137	0	7	0	3	0	6,9	0	451	14	33	0
SUSSEX COUNTY TOTAL	2	0	26	42	161	2	9	0	3	10	79	50	524	18	40	0
STATE TOTAL	2	10[illegible]	49	42	490	8	129	0	3	649	149	126	1,598	30	453	0

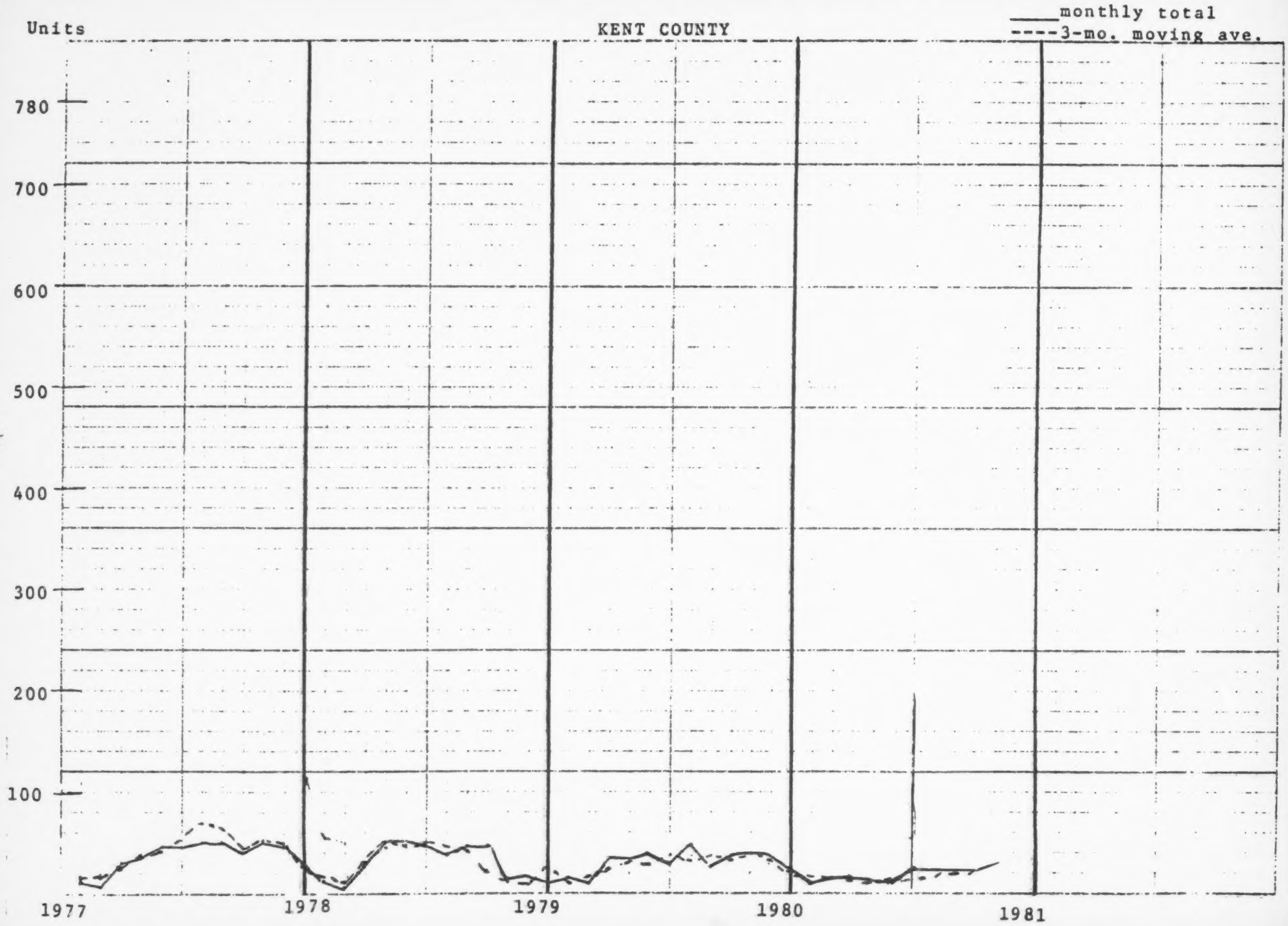
APPENDIX A:

SINGLE FAMILY HOUSING PRODUCTION


Units
STATE
____Monthly total
----3-mo. moving ave.
1560
1400
1200
1000
800
600
400
200
1977
1978
1979
1980
1981

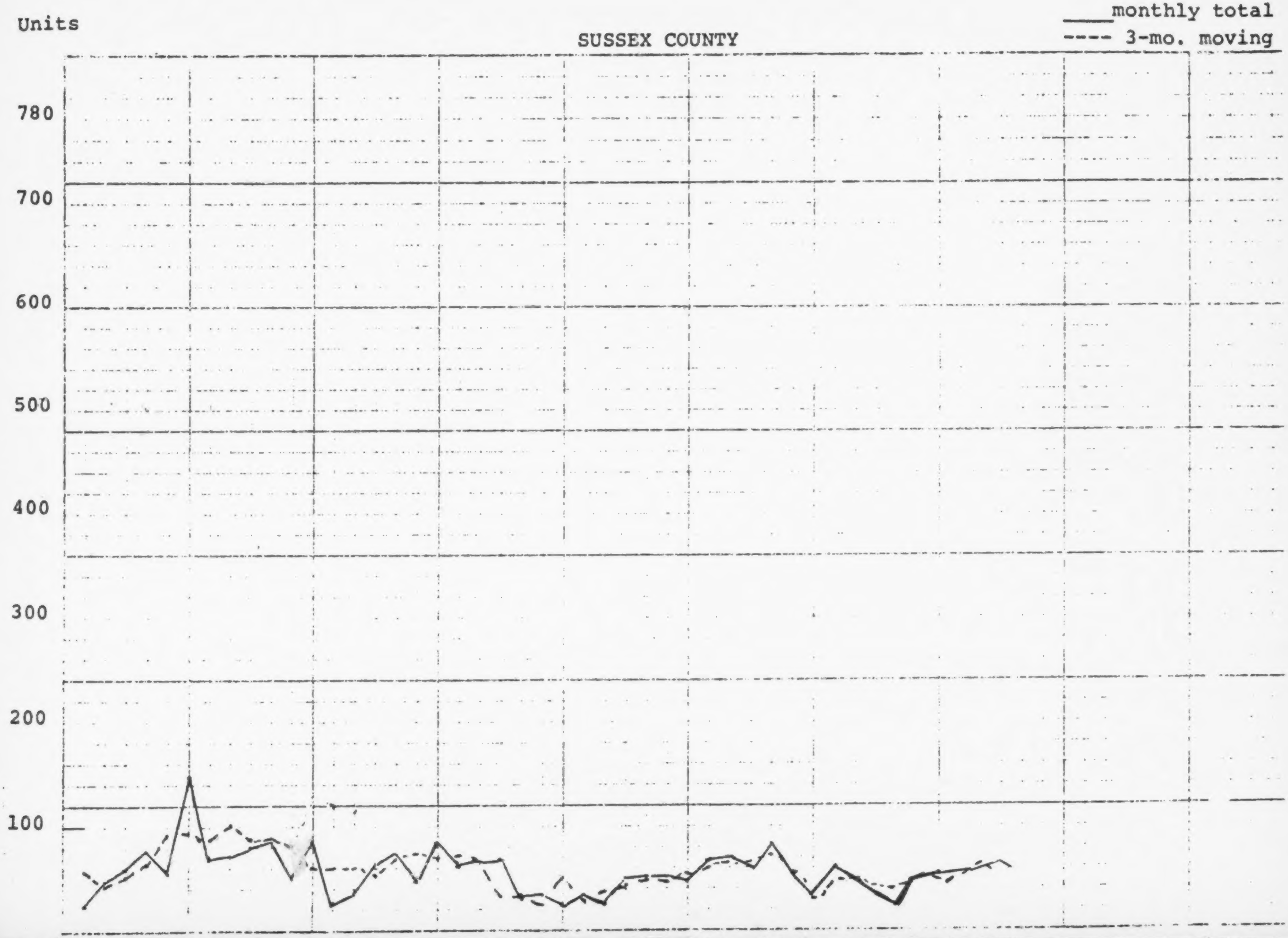


Units
NEW CASTLE COUNTY
monthly total
-----3-mo. moving ave
780
700
600
500
400
300
200
100
1977
1978
1979
1980
1981



KENT COUNTY

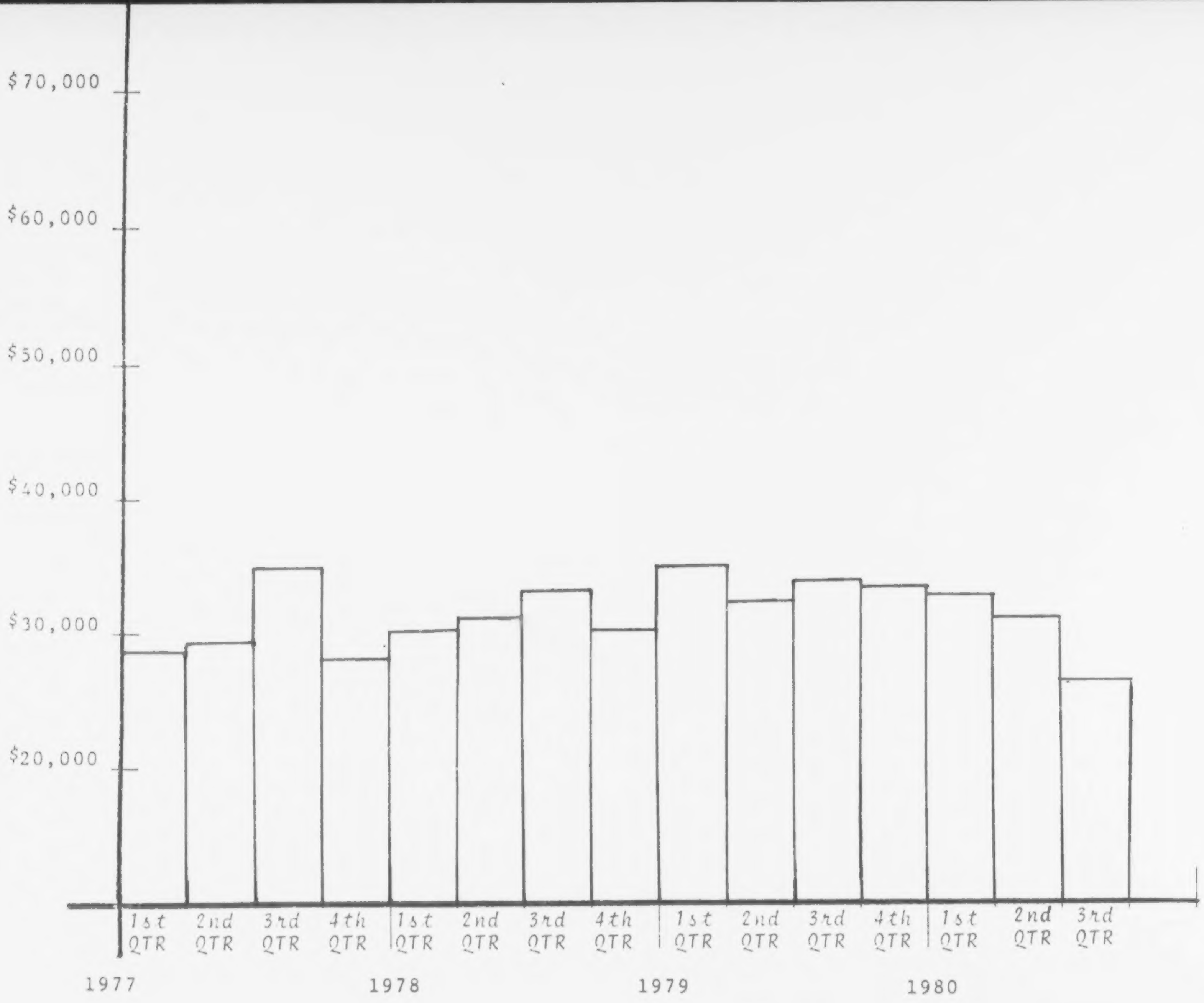
Units
____monthly total
----3-mo. moving ave.
780
700
600
500
400
300
200
100
1977
1978
1979
1980
1981



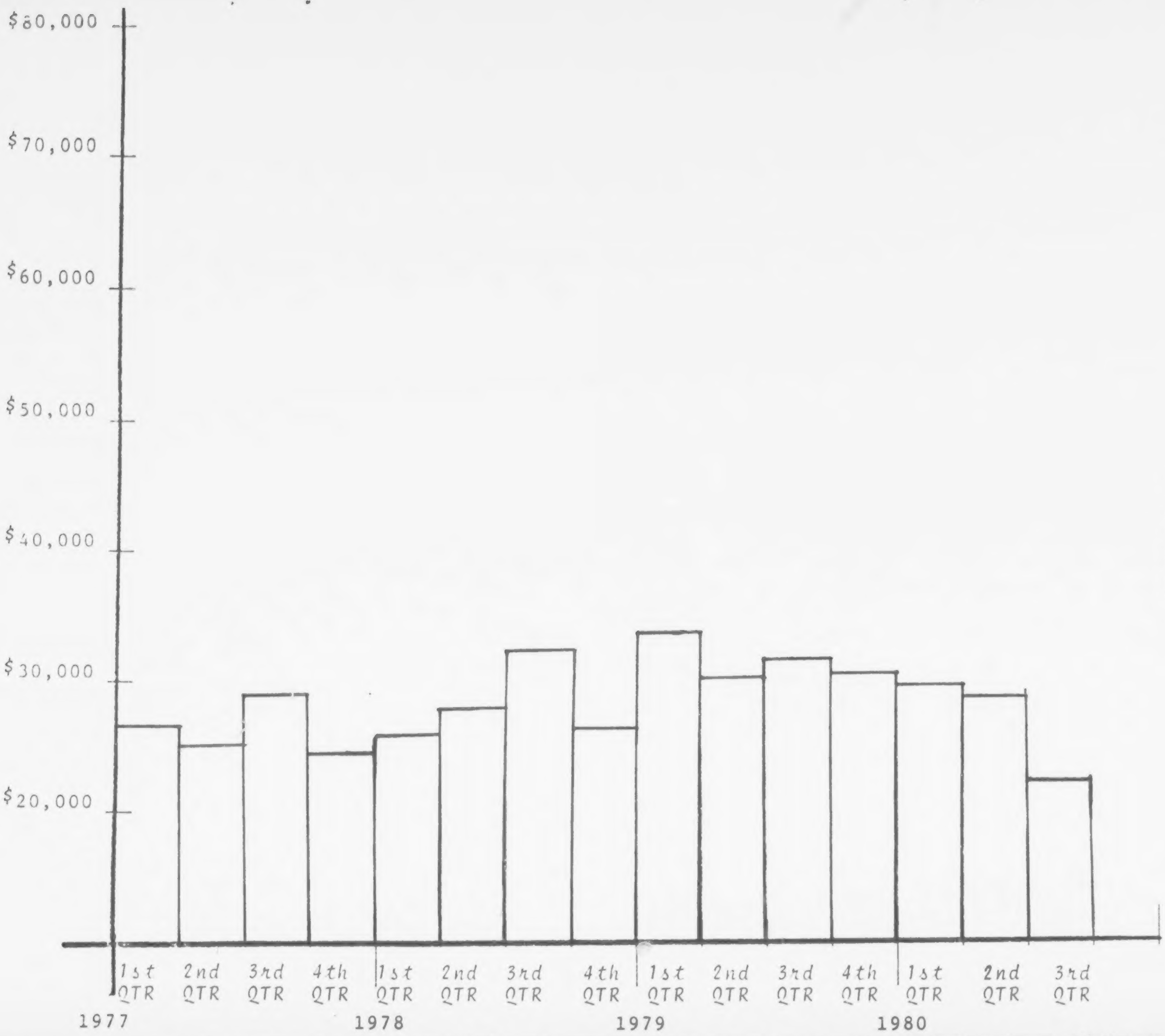
Units
SUSSEX COUNTY
____monthly total
---- 3-mo. moving
780
700
600
500
400
300
200
100

APPENDIX B:

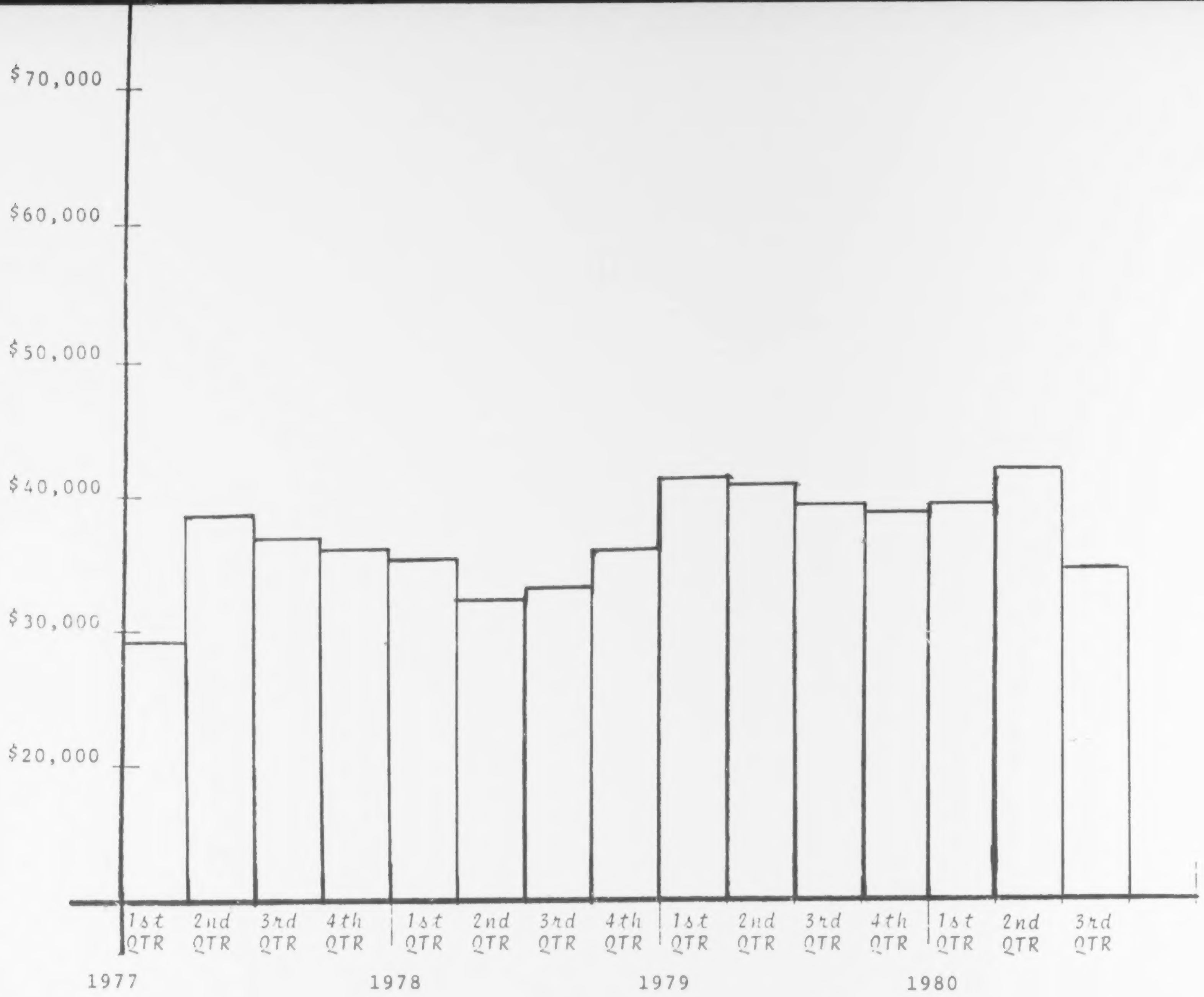
AVERAGE BUILDER'S COST OF A SINGLE FAMILY HOME
(By Quarter)



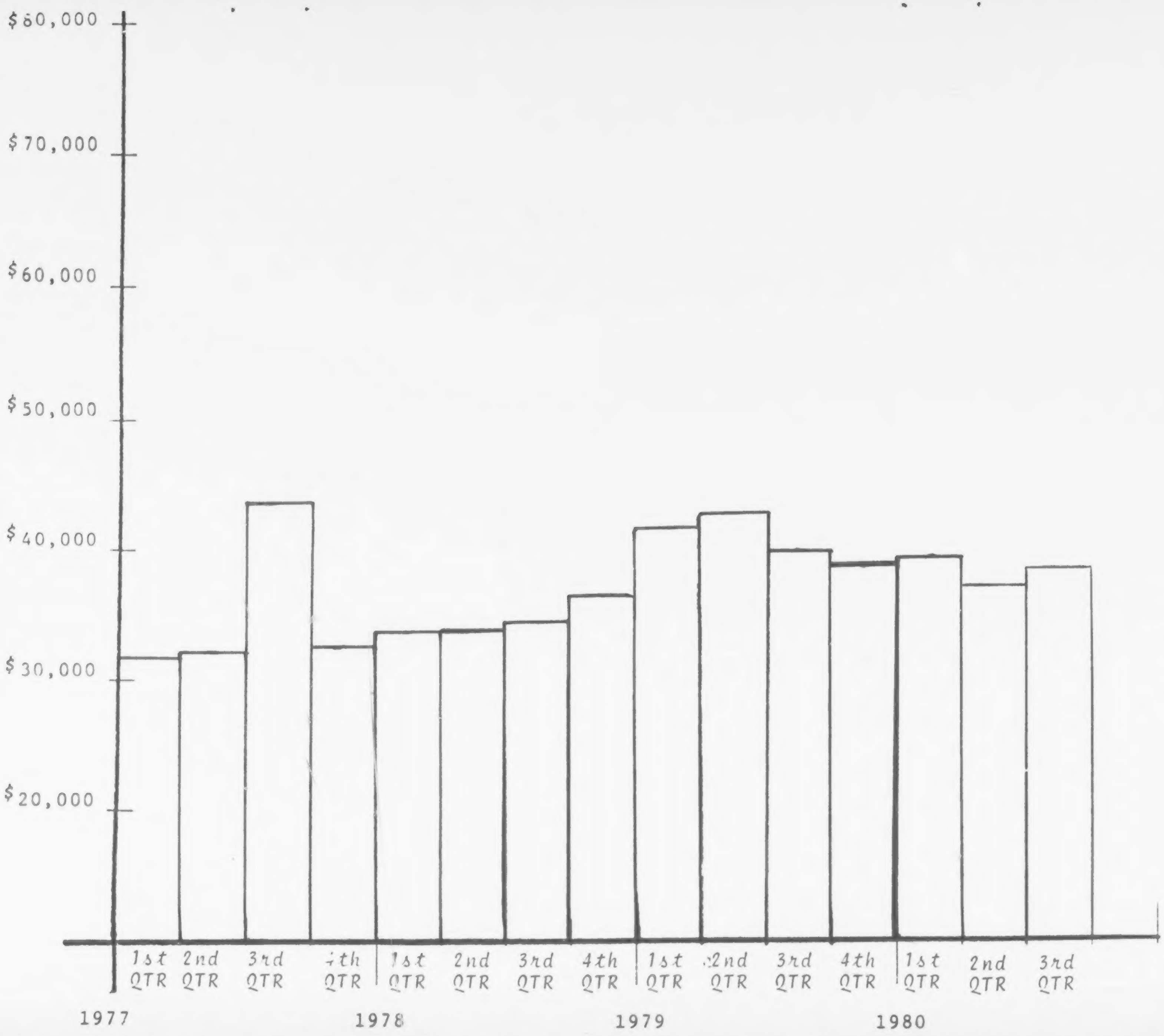
AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
STATEWIDE BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
NEW CASTLE COUNTY
BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
KENT COUNTY BY QUARTER



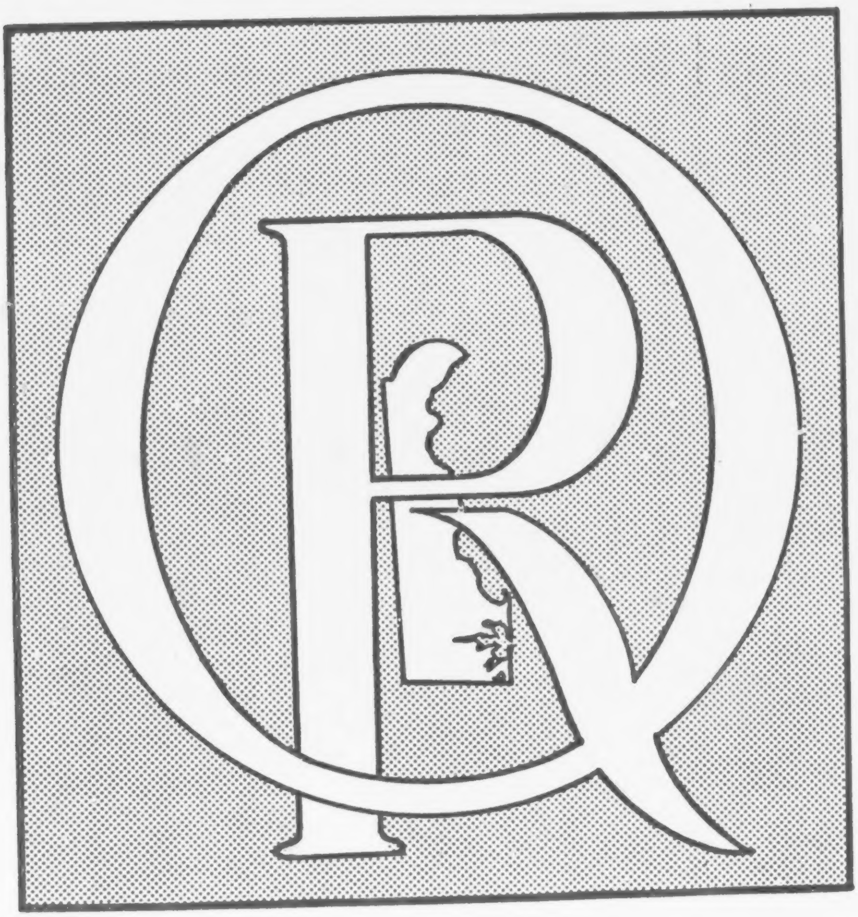
AVERAGE BUILDER's COST FOR A
SINGLE FAMILY HOME
SUSSEX COUNTY BY QUARTER

VOL. IX, NO. 1

WINTER 1981

QUARTERLY REVIEW

HOUSING PRODUCTION IN DELAWARE



Fourth Quarter, 1980

and

1980 Annual Issue

DEPARTMENT OF COMMUNITY AFFAIRS AND ECONOMIC DEVELOPMENT
DIVISION OF HOUSING
DELAWARE STATE HOUSING AUTHORITY

FEB 10 1981

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QUARTERLY REVIEW
OF
HOUSING PRODUCTION
IN
DELAWARE

ANNUAL ISSUE
FOURTH QUARTER, 1980 REPORT

BY

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Housing Specialist
Division of Housing
18 The Green
Dover, Delaware 19901

January, 1981

FOREWORD

A year ago no one was optimistic about housing production in Delaware -- and everyone was right. There was a 14 per cent decline statewide.

In New Castle County, a slight increase in single-family construction and mobile homes was more than offset by the decline in multi-family units. Kent County declined in all three categories. Only Sussex County increased production -- and there by only two units when decreases in single-family and mobile homes were more than offset by a 68 per cent increase in multi-family production.

Regular readers of the Quarterly Review will note we have a new editor, Michael Marra, a Housing Specialist who now heads DSHA's Research and Information component. Of special interest in this issue is an article by the Executive Vice President of the Homebuilders Association of Delaware, Joseph P. Johnson, on the housing production outlook for 1981. At the end of his article we added a few observations about the new restrictions on tax-exempt revenue bond financing that he mentioned as a factor with which DSHA and others must reckon.

Robert S. Moyer

ROBERT S. MOYER
State Director of Housing

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INTRODUCTION

With this issue the Delaware State Housing Authority begins its ninth year of reporting quarterly housing activity in Delaware. This year's annual issue includes: Fourth quarter housing production, a summary of 1980's activity, statistics from 1970-1980 and a feature article on the housing outlook for 1981. The article includes a brief synopsis of the "Ullman Bill," a major piece of legislation which affects the projections. New housing units authorized by permit, mobile homes sold and residential demolitions are reported. Construction costs, type of heating fuel, square footage and bedroom counts are also enumerated on a per unit basis.

The information herein relates only to new housing units intended for occupancy on a housekeeping basis. Excluded are hotels, motels and other group residential structures. The figures are actual totals accumulated from authorized building permits recorded by various jurisdictions and compiled by the Delaware State Housing Authority.

Although the data relates to permit issuance rather than actual housing starts, permits are prompt, accurate indicators of construction activity. The United States Bureau of the Census states that approximately 98-99 percent of all authorized construction is eventually undertaken. So, for simplification, permit issuance will be expressed as "starts."

Building Permit Jurisdictions

New Castle and Kent County's building permit systems cover all unincorporated areas within their respective boundaries plus those areas without permit systems. Those towns and municipalities having permit laws are counted as separate entries within their counties. An exception is the town of Milford which straddles the borders of both Kent and Sussex

counties. Therefore, Milford's data is counted in the county containing the building activity.

Sussex County includes all municipalities in its building permit system, so it is necessary to adjust the total in order to avoid double-counting.

Definitions

Housing Unit - defined for the purposes of this report, a housing unit consists of a room or group of rooms intended for occupancy as separate, year-round living quarters by a family, group of unrelated people living together or a person living alone.

In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Migratory, seasonal and vacation housing has been omitted.

Chart 4 is based on the number of new mobile homes sold and titled for use in Delaware. Those homes labeled sectional, modular or "prefab" are counted as on-site construction.

Chart 5 presents enumeration of substantial rehabilitation as taken from building permits. Additions and alterations containing three of the following four elements constitute substantial rehabilitation: Electrical, heating, plumbing or structural work.

HOUSING PRODUCTION, FOURTH QUARTER 1980

Synopsis:

Fourth quarter housing production totalled 760 units, down by nearly 42% from the previous quarter's level of 1,293 units and down 22% from the 974 units recorded one year before.

The production total for the fourth quarter consists of 467 single family units (61%), 82 multi-family units (11%) and 211 new mobile homes (28%).

New Castle County's single family production of 285 units declined 47% from the previous quarter's total of 539 and dropped 10% from the 256 units produced during the fourth quarter 1979. There was no multi-family activity during the fourth quarter 1980. Third quarter multi-family dwellings numbered 152 units while fourth quarter 1979 units also was 0. On-site construction for New Castle County totalled 285 units.

Single family production in Kent County totalled 45, down by 17 units (27%) from the last quarter and 56% from the 102 units produced one year ago. There was no multi-family production this quarter or last quarter. One year ago, 149 multi-family units were recorded. Kent County's on-site construction totalled 45 units.

Sussex County's single family production of 137 units declined 6% from the previous quarter's total of 145 and dropped 17% from the 165 units produced one year ago. The multi-family production of 82 units fell 35% from the 126 units produced last quarter but rose by 74 units in comparison to the 8 units produced in the fourth quarter of 1979. On-site construction in Sussex County totalled 219 units.

CONSTRUCTION COST

**Reported from building permits; costs of land, architectural services and engineering are not included.*

TOTAL COST

Statewide, on-site residential construction cost for the fourth quarter 1980 totalled $18,730,037. This is a 34% decrease from the $28,469,958 total last quarter and a 20% drop from 1979's fourth quarter total of $23,332,000. Single family cost was $17,104,997. Multi-family cost was $1,625,000.

Total cost for on-site construction in New Castle County during the fourth quarter was $9,984,329. This is 43% lower than last quarter's total of $17,647,739 and 20% above total construction costs of $7,995,000 one year ago. Single family cost was $9,984,329. There were no new multi-family units this quarter in New Castle County.

Total on-site construction cost during the fourth quarter in Kent County was $1,864,764, down 14% from last quarter's total of $2,157,126 and $7,792,236 from the fourth quarter 1979 total of $9,657,000. Single family cost was $1,864,764. There was no multi-family activity during the fourth quarter 1980.

Sussex County's fourth quarter total construction cost of $6,880,904 was 23% lower than the previous quarter total of $8,944,093 and 3% above the $6,680,000 total cost of a year ago. Single family cost was $5,255,904. Multi-family cost was $1,625,000.

AVERAGE COST

The statewide average cost of construction during the fourth quarter 1980 was $34,116. An 18% increase over last quarter's average of $27,830 and an average cost nearly identical to the $34,311 average of one year ago. The fourth quarter's average for a single family unit was $36,627, 27% higher than last quarter's average of $28,742 and 4% higher than the $35,330 average of a year ago. Average cost statewide for a multi-family unit was $19,817, a figure derived solely from Sussex County's total since no multi-family units were produced in either Kent or New Castle Counties. This figure is 35% below the third quarter's average of $30,647 and 46% below the $36,868 average of the previous year.

Average cost for a single family unit in New Castle County was $35,032 in the fourth quarter, up 35% from the third quarter average of $22,872 and also up 11% from the $31,229 average of a year ago. There were no new multi-family units in the fourth quarter. The third quarter average cost was $35,000. No multi-family units were reported in this period last year. Average unit cost in New Castle County for the fourth quarter 1980 was $35,032.

The single family average cost in Kent County for the fourth quarter was $41,439, an increase of 16% from last quarter's figure of $34,792 and a rise of 5% from the $39,248 average of a year ago. There was no multi-family activity in the third quarter while the multi-family average of a year ago was $37,505. The average unit cost in Kent County for the fourth quarter 1980 was $41,439.

The fourth quarter 1980 average cost of a single family home in Sussex County was $38,364. A decrease of 3% from the previous quarter's average of $39,616 and 2% from the $39,271 average of a year ago. Average multi-family cost was $19,817 -- a drop of 22% from the previous quarter's average of $25,395 and 21% from the $25,000 average a year ago. The average unit cost in Sussex County for the fourth quarter 1980 was $34,116.

MOBILE HOME ACTIVITY

Mobile home sales in Delaware for the fourth quarter, 1980 totalled 211, 22% below the 270 units recorded last quarter and 28% below the 294 recorded one year ago.

New Castle County's 27 units was an increase of 3 over the 24 mobile homes recorded last quarter and 21 (78%) over those recorded this time last year.

Kent County's total of 61 was more than cut in half when compared to the 127 units recorded last quarter and decreased 59% from the 150 mobile home sales of one year ago.

Sussex County's 123 units was 4 more than last quarter's total of 127 but 11% lower than the 138 units recorded one year ago.

FEDERAL ASSISTANCE

Federal assistance in the form of direct loans, subsidies, mortgage insurance or mortgage guarantees for single family homes in Delaware were extended to 43 units during the fourth quarter, 1980.

The Federal Housing Administration reported 4 newly insured units during this quarter. This is 50% of last year's amount (8 units) and is 3 more than the number reported one year ago.

The Farmers Home Administration extended loans for 31 new homes in the fourth quarter, 1980 as compared to none for the third quarter and 16 units a year ago.

Eight (8) guaranteed loans were reported by the Veteran's Administration for the fourth quarter, 14 were reported in the third quarter and 3 loans were reported this time last year.

THE NATION

The U.S. Department of Commerce reported that on-site housing starts were:

152,700 in October
112,200 in November
95,500 in December
360,400 for the quarter

The above figures include single family and multi-family units. Single family starts were:

97,500 in October
70,900 in November
55,000 in December
223,400 for the quarter

Multi-family starts were:

55,200 in October
41,300 in November
40,500 in December
137,000 for the quarter

Charts 1 to 9B provide detailed information on the number of new housing units authorized for construction in Delaware. The data pertains to residential construction activity in 22 permit-issuing jurisdictions which account for all land area in Delaware. In addition, graphs of single family housing units authorized by month and average construction costs of single family homes are presented.

HOUSING PRODUCTION DATA

FOURTH QUARTER, 1980

CHARTS 1-9B

CHART 1-A: ON-SITE PERMITS ISSUED
NEW CASTLE COUNTY

Location	Structure	1979 4th QTR	1979 Total	1980 1st QTR	1980 2nd QTR	1980 3rd QTR	1980 4th QTR	1980 Total
Wilmington	Sngl. fam.	16	60	36	9	13	22	80
	Multi-fam.	0	136	0	0	0	0	0
	Total	16	196	36	9	13	22	80
Newark	Sngl. fam.	15	25	0	3	3	12	18
	Multi-fam.	0	150	0	0	0	0	0
	Total	15	175	0	3	3	12	18
New Castle	Sngl. fam.	0	5	1	2	0	0	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	5	1	2	0	0	3
Elsmere	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
NCC Balance	Sngl. fam.	225	1,095	193	260	523	251	1,227
	Multi-fam.	0	280	216	0	152	0	368
	Total	225	1,375	409	260	675	251	1,595
NCC Total	Sngl. fam.	256	1,185	230	274	539	285	1,328
	Multi-fam.	0	566	216	0	152	0	368
	Total	256	1,751	446	274	691	285	1,696

CHART 1-B: ON-SITE PERMITS ISSUED
KENT COUNTY

		1979		1980				
Location	Structure	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	4th QTR	Total
Dover	Sngl. fam.	17	83	11	2	2	5	20
	Multi-fam.	149	161	0	0	0	0	0
	Total	166	244	11	2	2	5	20
Smyrna	Sngl. fam.	1	7	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	7	0	0	0	0	0
Milford	Sngl. fam.	3	3	0	0	1	0	1
	Multi-fam.	0	0	0	11	0	0	11
	Total	3	3	0	11	1	0	12
Harrington	Sngl. fam.	1	1	0	2	1	0	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	1	0	2	1	0	3
Camden	Sngl. fam.	0	2	0	0	0	-	-
	Multi-fam.	0	0	0	0	0	-	-
	Total	0	2	0	0	0	-	-
Kent County Balance	Sngl. fam.	80	275	32	44	58	40	174
	Multi-fam.	0	0	0	0	0	0	0
	Total	80	275	32	44	58	40	174
Kent County Total	Sngl. fam.	102	372	43	48	62	45	198
	Multi-fam.	149	161	0	11	0	0	11
	Total	251	533	43	59	62	45	209

CHART 1-C: ON-SITE PERMITS ISSUED
SUSSEX COUNTY

Location	Structure	1979 4th QTR	1979 TOTAL	1980 1st. QTR	1980 2nd QTR	1980 3rd QTR	1980 4th QTR	1980 Total
Bethany	Sngl. fam.	13	36	0	6	2	13	21
	Multi-fam.	8	28	0	0	0	3	3
	Total	21	64	0	6	2	16	24
Laurel	Sngl. fam.	2	4	1	4	0	3	8
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	4	1	4	0	3	8
Lewes	Sngl. fam.	0	2	0	1	0	1	2
	Multi-fam	0	2	0	0	0	0	0
	Total	0	4	0	1	0	1	2
Milford	Sngl. fam.	2	9	1	1	0	1	2
	Multi-fam.	0	40	0	0	0	0	0
	Total	2	49	1	1	0	1	2
Rehoboth	Sngl. fam.	1	23	0	6	3	8	12
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	23	0	6	3	8	12
Seaford	Sngl. fam.	2	5	1	1	1	1	4
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	5	1	1	1	1	4
Milton	Sngl. fam.	0	1	0	0	1	1	2
	Multi-fam.	0	0	0	32	0	0	32
	Total	0	1	0	32	1	1	34
Millsboro	Sngl. fam.	0	1	0	1	0	0	1
	Multi-fam.	0	0	0	20	52	0	72
	Total	0	1	0	21	52	0	73
Georgetown	Sngl. fam.	1	5	0	2	1	0	3
	Multi-fam.	0	8	0	0	74	76	150
	Total	1	13	0	2	75	76	153
Balance Sussex County	Sngl. fam.	144	556	135	110	135	109	489
	Multi-fam.	0	4	0	0	0	3	3
	Total	144	556	135	110	135	112	492
Sussex County Total	Sngl. fam.	165	642	138	132	145	137	552
	Multi-fam.	8	82	0	54	126	82	260
	Total	173	724	138	184	271	219	812
State Total	Sngl. fam.	523	2,199	411	454	745	467	2,077
	Multi-fam.	157	809	216	63	278	82	639
	Total	680	3,008	627	517	1,023	549	2,714

CHART -2-A: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

		1979 (000's)		1980 (TOTAL COST)				
Location	Structure	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	4th QTR	Total
Wilmington	Sngl. fam.	717	3,206	1,641,228	540,000	784,000	1,130,000	4,095,228
	Multi-fam.	0	3,836	0	0	0	0	0
	Total	717	7,042	1,641,228	540,000	784,000	1,130,000	4,095,228
Newark	Sngl. fam.	290	655	0	87,000	80,500	304,255	471,755
	Multi-fam.	0	3,725	0	0	0	0	0
	Total	290	4,378	0	87,000	80,500	304,255	471,755
New Castle	Sngl. fam.	0	110	36,600	56,000	0	0	92,600
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	110	36,600	56,000	0	0	92,600
Elsmere	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
NCC Balance	Sngl. fam.	6,988	33,492	5,337,786	7,483,925	11,463,239	8,550,074	32,835,024
	Multi-fam.	0	4,190	2,500,776	0	5,320,000	0	7,820,776
	Total	6,988	37,682	7,838,562	7,483,925	16,783,239	8,550,074	40,655,800
NCC Total	Sngl. fam.	7,995	37,463	7,015,614	8,166,925	12,327,739	9,984,329	37,494,607
	Multi-fam.	0	11,749	2,500,776	0	5,320,000	0	7,820,776
	Total	7,995	49,212	9,516,390	8,166,925	17,647,739	9,984,329	45,315,383

CHART 2-B: TOTAL COST ON-SITE CONSTRUCTION (REPORTED FROM PERMITS) KENT COUNTY

		1979 (000's)		1980 (TOTAL COST)				
Location	Structure	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	4th QTR	Total
Dover	Sngl. fam.	562	2,817	312,000	99,000	34,000	187,000	641,000
	Multi-fam.	5,653	5,893	0	0	0	0	0
	Total	6,215	8,710	321,000	99,000	34,000	187,000	641,000
Smyrna	Sngl. fam.	43	243	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	43	243	0	0	0	0	0
Milford	Sngl. fam.	231	231	0	0	60,000	0	60,000
	Multi-fam.	0	0	0	253,772	0	0	253,772
	Total	231	231	0	253,772	60,000	0	313,772
Harrington	Sngl. fam.	39	63	0	73,135	26,950	0	100,085
	Multi-fam.	0	0	0	0	0	0	0
	Total	39	63	0	73,135	26,950	0	100,085
Camden	Sngl. fam.	0	61	0	0	0	-	0
	Multi-fam.	0	0	0	0	0	-	0
	Total	0	61	0	0	0	-	0
Kent County Balance	Sngl. fam.	3,129	11,488	1,386,900	1,862,383	2,036,176	1,677,764	6,963,223
	Multi-fam.		0	0	0	0	0	0
	Total	3,129	11,488	1,386,900	1,862,383	2,036,176	1,677,764	6,963,223
Kent County Total	Sngl. fam.	4,004	14,903	1,707,900	2,034,518	2,157,126	1,864,764	7,764,308
	Multi-fam.	5,653	5,893	0	253,772	0	0	253,772
	Total	9,657	20,796	1,707,900	2,288,290	2,157,126	1,864,764	8,018,080

CHART 2-C: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
SUSSEX COUNTY

Location	Structure	1979 (000's) 4th QTR	1979 (000's) TOTAL	1980 (TOTAL COST) 1st. QTR	1980 (TOTAL COST) 2nd QTR	1980 (TOTAL COST) 3rd QTR	1980 (TOTAL COST) 4th QTR	1980 (TOTAL COST) Total
Bethany	Sngl. fam.	534	1,382	0	253,600	109,000	570,300	932,900
	Multi-fam.	200	700	0	0	0	120,000	120,000
	Total	734	2,082	0	253,600	109,000	690,300	1,052,900
Laurel	Sngl. fam.	75	132	29,800	121,250	0	90,290	241,340
	Multi-fam.	0	0	0	0	0	0	0
	Total	75	132	29,800	121,250	0	90,290	241,340
Lewes	Sngl. fam.	0	55	0	50,000	0	56,000	106,000
	Multi-fam	0	7	0	0	0	0	0
	Total	0	62	0	50,000	0	56,000	106,000
Milford	Sngl. fam.	61	395	29,500	34,500	139,500	69,000	272,500
	Multi-fam.	0	920	0	0	0	0	0
	Total	61	1,315	29,500	34,500	139,500	69,000	272,500
Rehoboth	Sngl. fam.	51	1,037	0	255,370	129,300	491,985	876,655
	Multi-fam.	0	0	0	0	0	0	0
	Total	51	1,037	0	255,370	129,300	491,985	876,655
Seaford	Sngl. fam.	40	221	27,500	35,705	67,685	30,000	160,890
	Multi-fam.	0	0	0	0	0	0	0
	Total	40	221	27,500	35,705	67,685	30,000	160,890
Milton	Sngl. fam.	0	26	0	0	0	44,000	44,000
	Multi-fam.	0	0	0	800,000	0	0	800,000
	Total	0	26	0	800,000	0	44,000	844,000
Millsboro	Sngl. fam.	0	29	0	35,891	0	0	35,891
	Multi-fam.	0	0	0	440,000	1,800,000	0	2,240,000
	Total	0	29	0	475,891	1,800,000	0	2,275,891
Georgetown	Sngl. fam.	28	178	0	81,500	37,200	0	118,700
	Multi-fam.	0	150	0	0	1,399,800	1,400,000	2,799,800
	Total	28	328	0	81,500	1,437,000	1,400,000	2,918,500
Balance Sussex County	Sngl. fam.	5,691	22,182	5,664,402	4,155,462	5,261,608	3,904,329	18,985,801
	Multi-fam.	0	0	0	0	0	105,000	105,000
	Total	5,691	22,182	5,664,402	4,155,462	5,261,608	4,009,329	19,063,801
Sussex County Total	Sngl. fam	6,480	25,637	5,751,202	5,023,278	5,744,293	5,255,904	21,774,677
	Multi-fam.	200	1,945	0	1,240,000	3,199,800	1,625,000	6,064,800
	Total	6,680	27,582	5,751,202	6,263,278	8,944,093	6,880,904	27,839,477
State Total	Sngl. fam.	18,479	78,003	14,474,713	15,224,721	19,950,158	17,104,997	67,025,098
	Multi-fam.	5,853	17,587	2,500,776	1,493,772	8,519,800	1,625,000	14,139,348
	Total	23,332	97,590	16,718,493	16,718,493	28,469,958	18,730,037	81,164,486

CHART 3-A: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

Location	Structure	1979 4th QTR	1979 Total	1980 1st QTR	1980 2nd QTR	1980 3rd QTR	1980 4th QTR	1980 Total
Wilmington	Sngl. fam.	44,813	72,881	45,590	60,000	60,308	51,363	51,190
	Multi-fam.	0	28,209	0	0	0	0	0
	Total	44,813	35,929	45,590	60,000	60,308	51,363	51,190
Newark	Sngl. fam.	19,333	26,268	0	29,000	26,833	25,354	26,208
	Multi-fam.	0	24,826	0	0	0	0	0
	Total	19,333	25,017	0	29,000	26,833	25,354	26,208
New Castle	Sngl. fam.	0	36,666	36,600	28,000	0	0	30,866
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	36,666	36,600	28,000	0	0	30,866
Elsmere	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl. fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
NCC Balance	Sngl. fam.	31,056	30,586	27,657	28,784	21,918	34,064	26,760
	Multi-fam.	0	14,964	11,578	0	35,000	0	21,252
	Total	31,056	27,405	19,165	28,784	24,864	34,064	25,489
NCC Total	Sngl. fam.	31,229	31,617	30,503	29,806	22,872	35,032	28,233
	Multi-fam.	0	20,779	11,578	0	35,000	0	21,252
	Total	31,229	28,105	21,337	29,806	25,539	35,032	26,718

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CHART 3-B: AVERAGE COST ON-SITE CONSTRUCTION (REPORTED FROM PERMITS)
KENT COUNTY

		1979		1980				
Location	Structure	4th QTR	Total	1st QTR	2nd QTR	3rd QTR	4th QTR	Total
Dover	Sngl. fam.	33,073	33,942	29,182	49,500	17,000	37,400	32,050
	Multi-fam.	37,505	36,200	0	0	0	0	0
	Total	37,440	35,696	29,182	49,500	17,000	37,400	32,050
Smyrna	Sngl. fam.	42,825	20,404	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	42,825	20,404	0	0	0	0	0
Milford	Sngl. fam.	76,833	76,833	0	0	60,000	0	60,000
	Multi-fam.	0	0	0	23,070	0	0	23,070
	Total	76,833	76,833	0	23,070	60,000	0	26,147
Harrington	Sngl. fam.	39,000	31,950	0	36,568	26,950	0	33,361
	Multi-fam.	0	0	0	0	0	0	0
	Total	39,000	31,950	0	36.568	26,950	0	33,361
Camden	Sngl. fam.	0	30,387	0	0	0	-	0
	Multi-fam.	0	0	0	0	0	-	0
	Total	0	30,387	0	0	0	-	0
Kent County Balance	Sngl. fam.	39,108	42,293	43,341	42,327	35,106	41,944	40,018
	Multi-fam.	0	0	0	0	0	0	0
	Total	39,108	42,293	43,341	42,327	35,106	41,944	40,018
Kent County Total	Sngl. fam.	39,248	39,682	39,719	42,386	34,792	41,439	39,213
	Multi-fam.	37,505	36,200	0	23,070	0	0	23,070
	Total	38,474	39,017	39,719	38,785	34,792	41,439	38,364

CHART 3-C: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
SUSSEX COUNTY

Location	Structure	1979		1980				
		4th QTR	TOTAL	1st. QTR	2nd QTR	3rd QTR	4th QTR	Total
Bethany	Sngl. fam.	41,066	38,437	0	42,267	54,500	43,869	44,423
	Multi-fam.	25,000	46,429	0	0	0	40,000	40,000
	Total	34,952	32,537	0	30,313	54,500	43,125	43,870
Laurel	Sngl. fam.	37,400	32,975	29,800	0	0	30,096	30,167
	Multi-fam.	0	0	0	0	0	0	0
	Total	37,400	32,975	29,800	0	0	30,096	30,167
Lewes	Sngl. fam.	0	27,500	0	50,000	0	56,000	53,000
	Multi-fam	0	3,750	0	0	0	0	0
	Total	0	15,500	0	50,000	0	56,000	53,000
Milford	Sngl. fam.	30,350	43,888	29,500	34,500	69,750	69,000	136,250
	Multi-fam.	0	23,000	0	0	0	0	0
	Total	30,350	26,837	29,500	34,500	69,750	69,000	136,250
Rehoboth	Sngl. fam.	51,000	45,159	0	42,562	43,100	61,498	73,054
	Multi-fam.	0	0	0	0	0	0	0
	Total	51,000	45,159	0	42,562	43,100	61,498	73,054
Seaford	Sngl. fam.	20,000	44,248	27,500	35,705	67,685	30,000	40,222
	Multi-fam.	0	0	0	0	0	0	0
	Total	20,000	44,248	27,500	35,705	67,685	30,000	40,222
Milton	Sngl. fam.	0	26,000	0	0	0	44,000	22,000
	Multi-fam.	0	0	0	25,000	0	0	25,000
	Total	0	26,000	0	25,000	0	44,000	24,823
Millsboro	Sngl. fam.	0	29,650	0	35,891	0	0	35,891
	Multi-fam.	0	0	0	22,000	34,615	0	31,111
	Total	0	29,650	0	22,661	34,615	0	31,176
Georgetown	Sngl. fam.	28,000	35,879	0	40,750	37,200	0	39,556
	Multi-fam.	0	18,750	0	0	18,916	18,421	18,665
	Total	28,000	25,231	0	40,750	19,160	18,421	19,075
Balance	Sngl. fam.	39,523	39,943	41,675	38,056	39,616	35,819	38,825
Sussex	Multi-fam.	0	31,628	0	23,846	25,395	35,000	35,000
County	Total	39,523	38,097	41,675	34,040	33,004	35,797	38,747
Sussex	Sngl. fam.	39,271	39,943	41,675	38,056	39,616	38,364	39,446
County	Multi-fam.	25,000	31,628	0	23,846	25,395	19,817	23,326
Total	Total	38,613	38,097	41,675	34,040	33,004	31,419	34,285
State	Sngl. fam.	35,330	35,476	35,218	33,535	26,779	36,627	32,270
Total	Multi-fam.	36,868	25,376	11,578	23,711	30,647	19,817	22,127
	Total	34,311	32,443	27,074	32,338	27,830	34,116	29,905

MOBILE HOME PRODUCTION

CHART 4

COUNTY	1979 4th QTR	1979 TOTAL	1980 1st QTR	1980 2nd QTR	1980 3rd QTR	1980 4th QTR	1980 TOTAL
New Castle	6	98	54	17	24	27	122
Kent	150	584	78	94	127	61	360
Sussex	138	466	42	96	119	123	380
STATE TOTAL	294	1,148	174	207	270	211	862

CHART 5

REHABILITATION HOUSING

LOCATION	NUMBER OF UNITS AND COST ($000)							
	1979				1980			
	TOTAL		4th QTR.		TOTAL		4th QTR.	
	UNITS	COST	UNITS	COST	UNITS	COST	UNITS	COST
Wilmington	354	2,904	152	894	299	4,064	82	1,268
Newark	26	366	5	169	23	299	9	93
New Castle	2	104	1	89	0	0	0	0
Elsmere	14	63	2	8	17	76	11	30
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	127	1,047	27	350	154	1,615	28	265
New Castle County Total	523	4,484	187	1,510	487	5,965	130	1,656
Dover	105	470	33	144	22	228	10	155
Smyrna	3	14	2	9	3	41	1	15
Milford (K)	6	104	0	0	6	90	0	0
Harrington	1	9	0	0	1	7	0	0
Camden	2	10	0	0	-	-	-	-
Kent County Balance	47	568	8	99	52	577	17	163
Kent County Total	164	1,175	43	252	77	874	28	333
Bethany	2	14	1	6	11	122	4	65
Laurel	8	25	0	0	6	36	2	13
Lewes	11	312	1	150	10	101	3	38
Milford (S)	11	86	7	32	3	25	0	0
Rehoboth	154	784	45	217	39	208	0	0
Seaford	27	143	9	25	10	66	5	26
Milton	4	25	0	0	0	0	0	0
Millsboro	9	145	2	11	17	157	9	38
Georgetown	0	0	0	0	0	0	0	0
Sussex County Balance	121	917	28	226	114	1,427	52	676
Sussex County Total	347	2,451	93	667	210	2,145	75	858
STATE TOTAL	2,321	7,746	268	2,092	744	9,005	233	2,858

CHART 6

LOCATION	RESIDENTIAL DEMOLITIONS AND CERTIFICATES OF OCCUPANCY							
	NUMBER OF UNITS DEMOLISHED				NUMBER OF OCCUPANCY PERMITS			
	1979		1980		1979		1980	
	TOTAL	4th QTR	TOTAL	4th QTR	TOTAL	4th QTR	TOTAL	4th QTR
Wilmington	107	30	80	11	206	22	146	64
Newark	4	0	0	0	21	5	168	6
New Castle	0	0	0	0	0	0	0	0
Elsmere	1	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	28	5	45	8	1,702	413	510	510
New Castle County Total	140	35	125	19	1,929	440	824	580
Dover	15	7	0	0	135	29	2	2
Smyrna	8	1	1	1	4	0	0	0
Milford (K)	2	2	3	0	2	0	1	1
Harrington	2	1	4	0	1	0	0	0
Camden	1	0	0	0	2	0	0	0
Kent County Balance	50	10	46	6	N/A	N/A	0	0
Kent County Total	78	21	54	7	144	29	3	3
Bethany	1	0	7	4	70	8	54	2
Laurel	23	8	9	3	7	1	7	2
Lewes	4	0	2	0	5	0	2	2
Milford (S)	0	0	1	0	11	2	47	1
Rehoboth	2	1	1	0	18	9	21	4
Seaford	3	2	2	0	4	0	2	0
Milton	3	0	0	0	0	0	0	0
Millsboro	0	0	0	0	33	0	0	0
Georgetown	0	0	0	0	8	8	1	0
Sussex County Balance	0	0	0	9	747	167	422	206
Sussex County Total	32	11	22	7	903	195	559	219
STATE TOTAL	254	67	201	33	2,976	664	1,386	802

CHART 7

HEATING FUEL IN NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS WITH SPECIFIED FUEL															
	4th Quarter 1979				Total 1979				4th Quarter 1980				Total 1980			
	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Othe
Wilmington	3	7	6	0	10	151	35	0	3	2	14	0	3	4	70	0
Newark	1	0	14	0	10	151	14	0	0	0	12	0	0	0	18	0
New Castle	0	0	0	0	2	1	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	168	23	34	0	910	91	373	1	139	26	81	0	646	567	225	0
N.C. Co. Total	172	30	54	0	932	394	422	1	142	28	107	0	649	571	313	0
Dover	10	0	156	0	74	6	164	0	4	1	0	0	10	1	1	0
Smyrna	1	0	0	0	5	1	1	0	0	0	0	0	0	0	0	0
Milford (K)	2	0	1	0	2	0	1	0	0	0	0	0	0	12	0	0
Harrington	0	0	1	0	1	0	1	0	0	0	0	0	0	0	3	0
Camden	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	-
K. Co. Balance	19	6	52	3	103	7	147	3	3	0	34	1	10	19	133	9
K. Co. Total	32	6	210	3	185	15	315	3	7	1	34	1	20	32	137	9
Bethany	0	0	21	0	0	0	64	0	0	0	16	0	0	0	18	0
Laurel	0	0	2	0	1	0	3	0	1	1	1	0	1	1	6	0
Lewes	0	0	0	0	4	0	0	0	0	0	1	0	0	0	2	0
Milford (S)	0	0	2	0	0	0	49	0	0	0	1	0	0	0	4	0
Rehoboth	0	0	1	0	2	1	20	0	0	0	8	1	0	0	17	1
Seaford	0	1	1	0	1	2	2	0	0	0	1	0	0	0	4	0
Milton	0	0	0	0	0	0	1	0	0	0	0	0	0	0	33	0
Millsboro	0	0	0	0	1	0	0	0	0	0	0	0	0	0	73	0
Georgetown	0	0	1	0	8	0	5	0	0	0	76	0	0	0	155	0
S. Co. Balance	8	4	131	1	64	5	466	5	0	7	106	2	12	19	372	21
S. Co. Total	8	5	159	1	81	8	610	5	1	8	210	3	13	19	684	22
STATE TOTAL	212	41	423	4	1,198	417	1,347	9	150	37	351	4	682	622	1,134	31

CHART 8

SQUARE FOOTAGE OF NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS BY SQUARE FOOT PER UNIT											
	4th QTR 1979			TOTAL 1979			4th QTR 1980			TOTAL 1980		
	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500
Wilmington	0	2	14	136	18	42	0	8	18	0	8	76
Newark	0	0	15	150	0	25	0	10	1	0	10	7
New Castle	0	0	0	0	1	2	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	0	64	161	191	415	769	2	83	162	350	607	589
N.C. Co. Total	0	66	190	477	434	838	2	101	181	350	625	608
Dover	149	11	6	149	22	59	0	4	1	0	10	9
Smyrna	0	0	1	0	7	10	0	0	0	0	0	0
Milford (K)	0	2	1	0	4	3	0	0	0	11	0	1
Harrington	0	1	0	0	1	0	0	0	0	0	3	0
Camden	0	0	0	0	1	1	-	-	-	-	-	-
K. CO Balance	0	37	43	3	105	167	2	22	16	10	83	70
K. Co. Total	149	51	51	152	140	240	2	26	17	21	106	80
Bethany	0	21	0	0	64	0	0	16	0	0	18	0
Laurel	0	1	1	0	3	1	1	1	0	1	5	0
Lewes	0	0	0	2	2	0	0	0	1	0	0	2
Milford (S)	0	2	0	40	8	1	0	0	1	0	2	3
Rehoboth	0	0	1	0	13	10	0	2	6	0	10	7
Seaford	0	2	0	0	4	1	0	1	0	1	3	0
Milton	0	0	0	0	1	0	0	0	0	32	1	0
Millsboro	0	0	0	0	1	0	0	0	0	72	0	1
Georgetown	0	1	0	0	13	0	0	0	0	76	3	0
S. Co. Balance	0	93	51	27	284	249	11	71	33	32	256	179
S. Co. Total	0	120	53	69	393	262	12	91	41	214	299	192
STATE TOTAL	149	237	294	698	967	1,340	16	218	239	585	1,030	989

CHART 9 A

NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	4th QUARTER 1980								Total 1980							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	0	0	17	0	1	0	0	0	8	0	38	0	41	0
Newark	0	0	0	0	2	0	1	0	0	0	0	0	8	0	1	0
New Castle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	0	0	34	0	175	0	55	0	4	0	309	23	736	129	191	0
NEW CASTLE COUNTY TOTAL	0	0	34	0	194	0	57	0	4	0	317	23	782	129	233	0
Dover	0	0	2	0	3	0	0	0	0	0	2	0	10	0	0	0
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	0	0	0	0	0	0	0	0	0	0	7	1	0	0	0
Harrington	0	0	0	0	0	0	0	0	0	0	1	0	2	0	0	0
Camden	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0
KENT COUNTY BALANCE	2	0	2	0	34	0	1	0	2	0	17	0	128	0	25	0
KENT COUNTY TOTAL	2	0	4	0	37	0	1	0	2	4	20	7	141	0	25	0
Bethany	0	0	0	0	13	0	0	0	0	0	1	0	20	0	0	0
Laurel	0	0	0	0	3	0	0	0	0	0	0	0	8	0	0	0
Lewes	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0
Milford (S)	0	0	0	0	0	0	0	0	0	0	1	0	3	0	0	0
Rehoboth	0	0	1	0	4	0	0	0	0	0	1	0	4	0	3	0
Seaford	0	0	1	0	0	0	0	0	0	2	1	0	9	0	0	0
Milton	0	0	0	0	0	0	0	0	0	0	0	24	1	8	0	0
Millsboro	0	0	0	0	0	0	0	0	0	6	0	16	0	16	0	12
Georgetown	0	24	0	24	0	28	0	0	0	24	0	48	3	76	0	0
SUSSEX COUNTY BALANCE	0	0	26	0	81	0	8	0	6	0	95	0	337	0	26	0
SUSSEX COUNTY TOTAL	0	24	28	24	102	28	11	0	6	56	99	88	387	72	29	12
STATE TOTAL	2	24	66	24	333	28	69	0	12	60	436	118	1,310	201	287	1

CHART 9 B

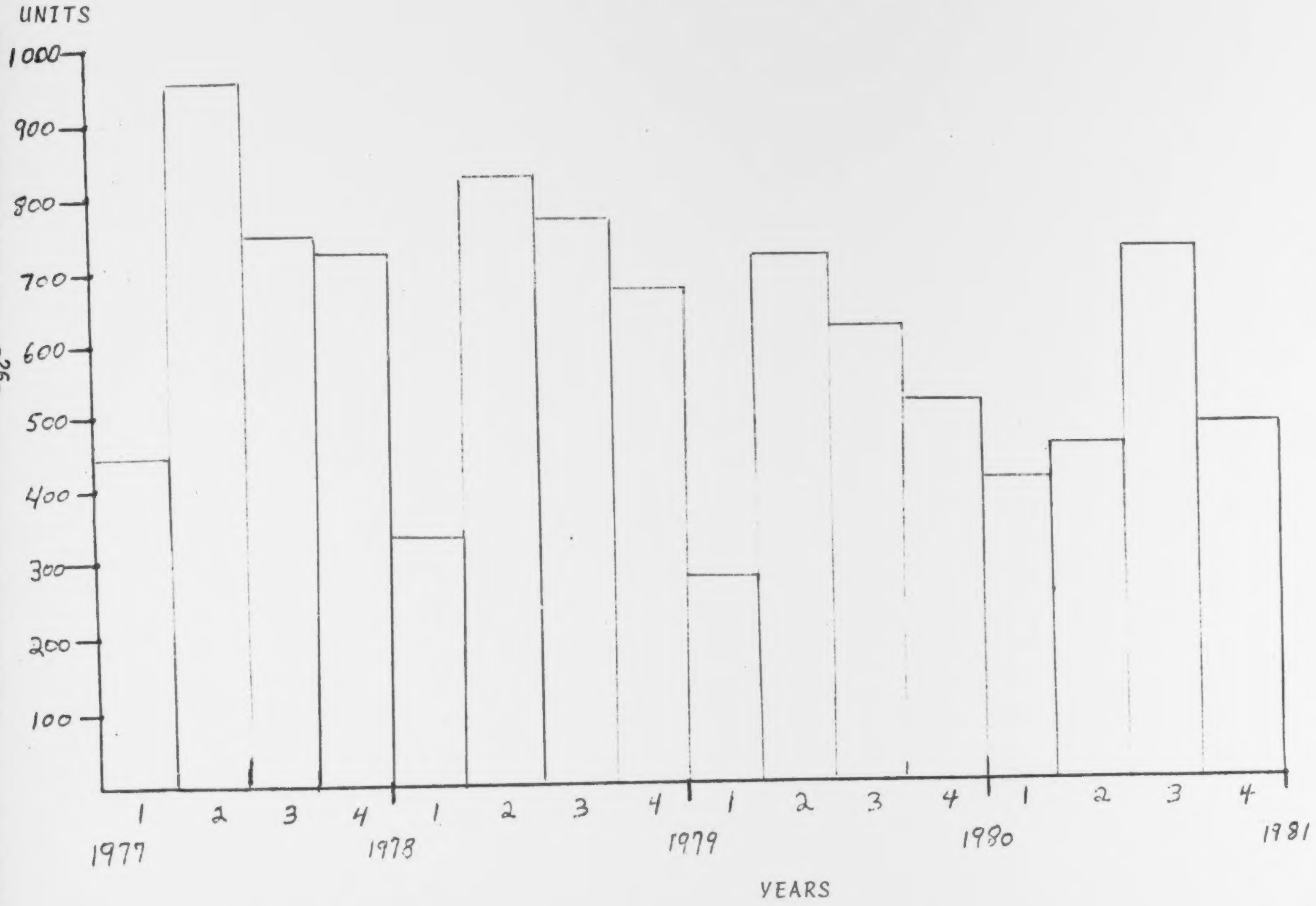
NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	4th QUARTER 1979								TOTAL 1979							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	2	0	14	0	0	0	0	136	14	0	45	0	0	0
Newark	0	0	0	0	14	0	1	0	0	150	0	0	14	0	11	0
New Castle	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	0	0	7	0	143	0	75	0	0	204	27	76	721	0	353	0
NEW CASTLE COUNTY TOTAL	0	0	9	0	171	0	76	0	0	490	41	76	780	0	364	0
Dover	0	0	0	0	17	0	0	0	0	149	0	0	74	12	9	0
Smyrna	0	0	0	0	1	0	0	0	0	0	0	0	7	0	0	0
Milford (K)	0	0	0	0	2	0	1	0	0	0	0	0	2	0	1	0
Harrington	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0
KENT COUNTY BALANCE	0	0	0	12	59	0	9	0	0	0	29	0	207	0	39	0
KENT COUNTY TOTAL	0	0	0	12	80	0	10	0	0	149	29	0	294	12	49	0
Bethany	0	0	4	0	6	8	3	0	0	0	7	10	29	14	4	0
Laurel	0	0	0	0	2	0	0	0	0	0	0	0	4	0	0	0
Lewes	0	0	0	0	0	0	0	0	0	2	1	0	1	0	0	0
Milford (S)	0	0	0	0	2	0	0	0	0	0	0	40	9	0	0	0
Rehoboth	0	0	0	0	0	0	1	0	0	0	1	0	19	0	3	0
Seaford	0	0	1	0	1	0	0	0	0	0	1	0	4	0	0	0
Milton	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Millsboro	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Georgetown	0	0	0	0	1	0	0	0	0	8	0	0	5	0	0	0
SUSSEX COUNTY BALANCE	0	0	10	0	129	0	5	0	3	0	69	0	451	14	33	0
SUSSEX COUNTY TOTAL	0	0	15	0	142	8	9	0	3	10	79	50	524	18	40	0
STATE TOTAL	0	149	36	0	392	8	95	0	3	649	149	126	1,598	30	453	

GRAPHS OF SINGLE FAMILY HOUSING PRODUCTION

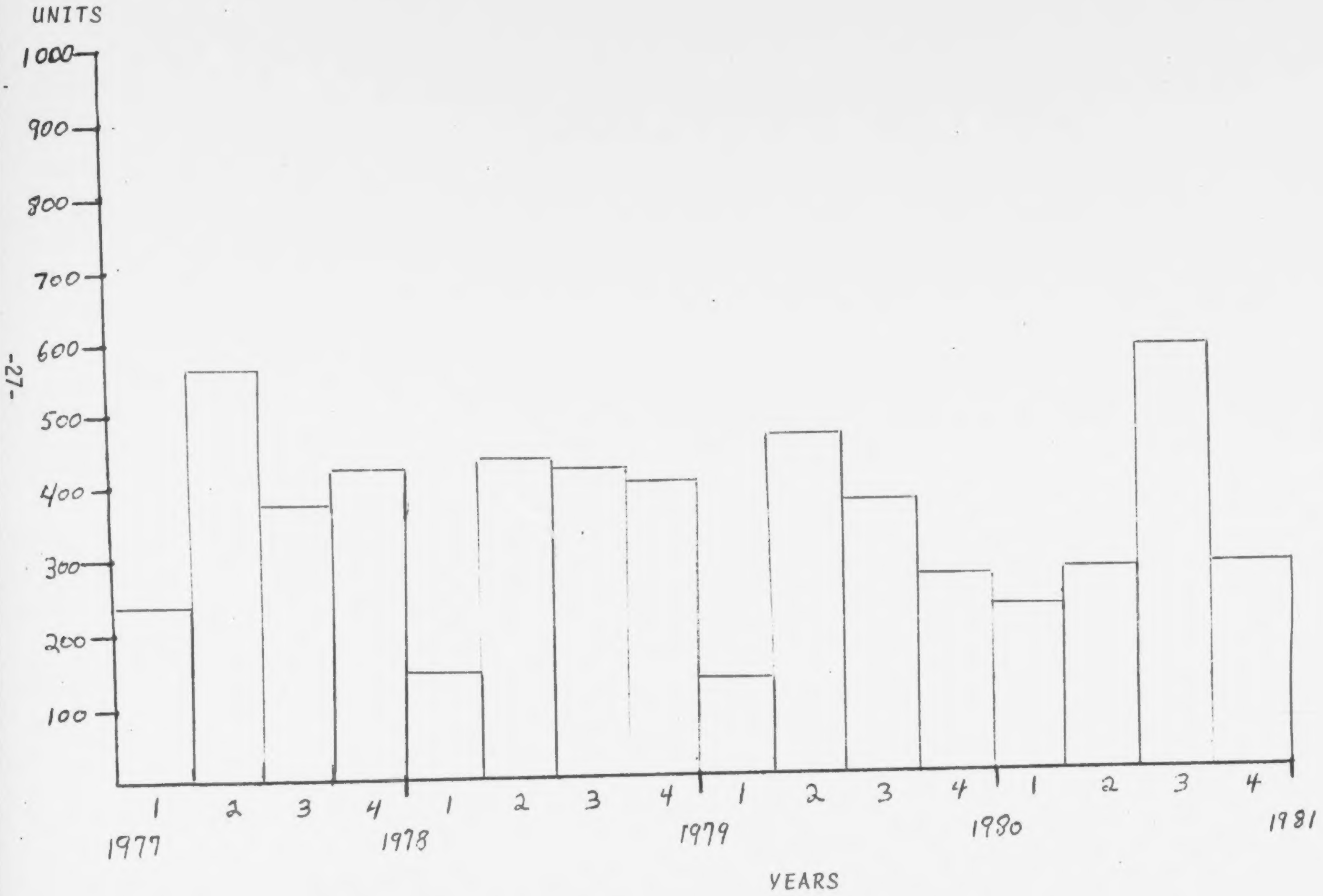
1977-1980

(BY QUARTER)

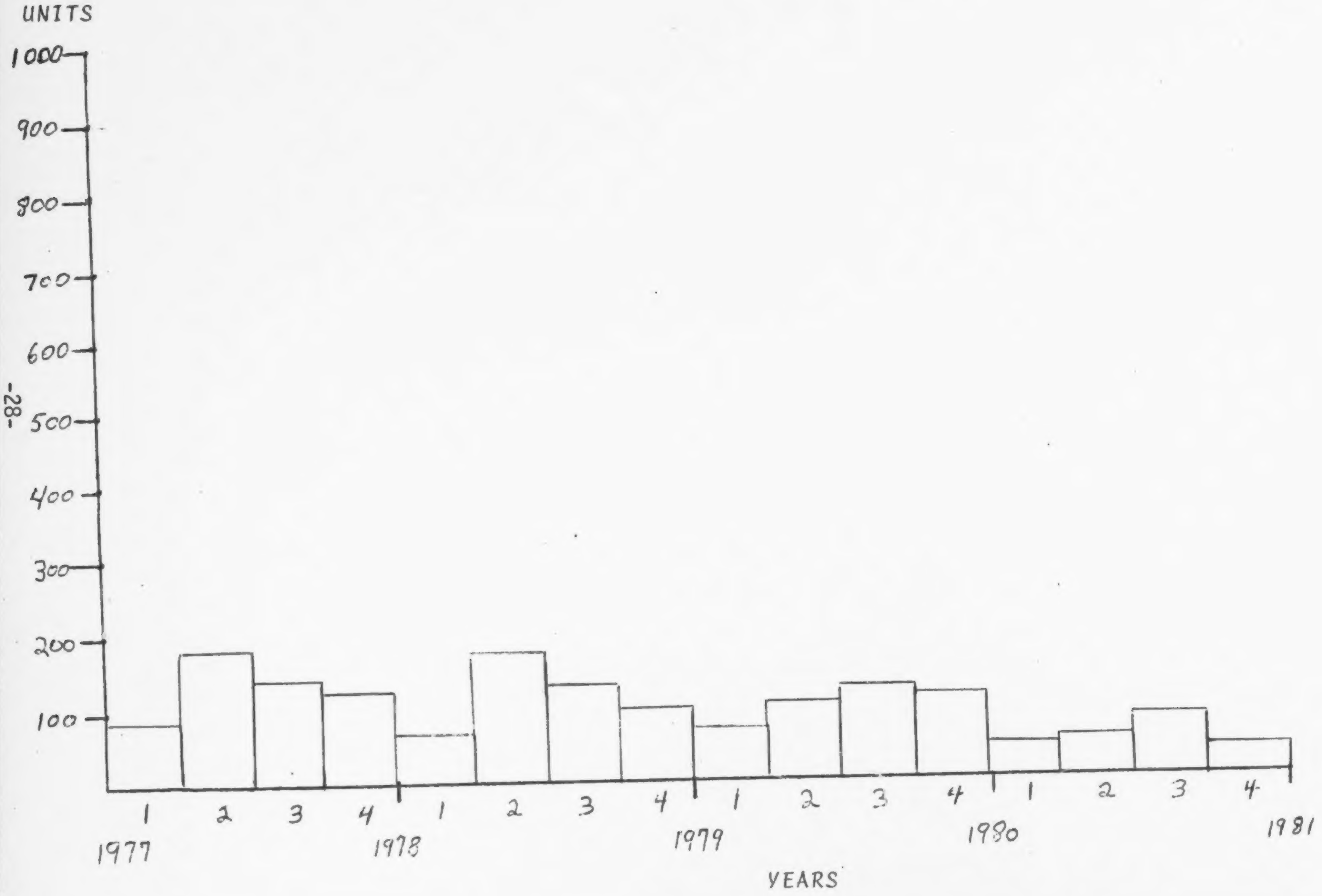


SINGLE FAMILY
HOUSING PRODUCTION
STATEWIDE
BY QUARTER

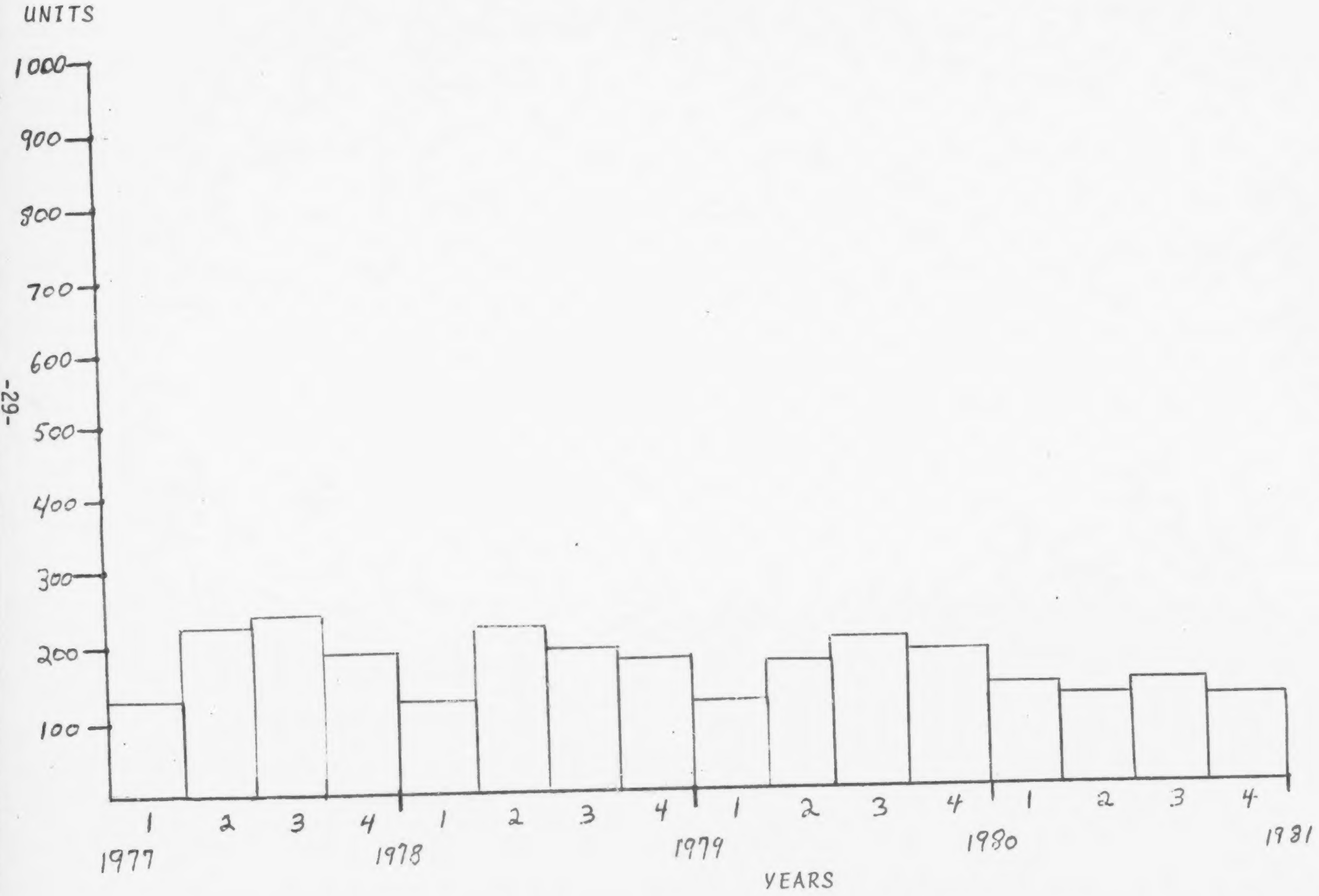
SINGLE FAMILY
HOUSING PRODUCTION
NEW CASTLE COUNTY
BY QUARTER



SINGLE FAMILY
HOUSING PRODUCTION
KENT COUNTY
BY QUARTER



SINGLE FAMILY
HOUSING PRODUCTION
SUSSEX COUNTY
BY QUARTER

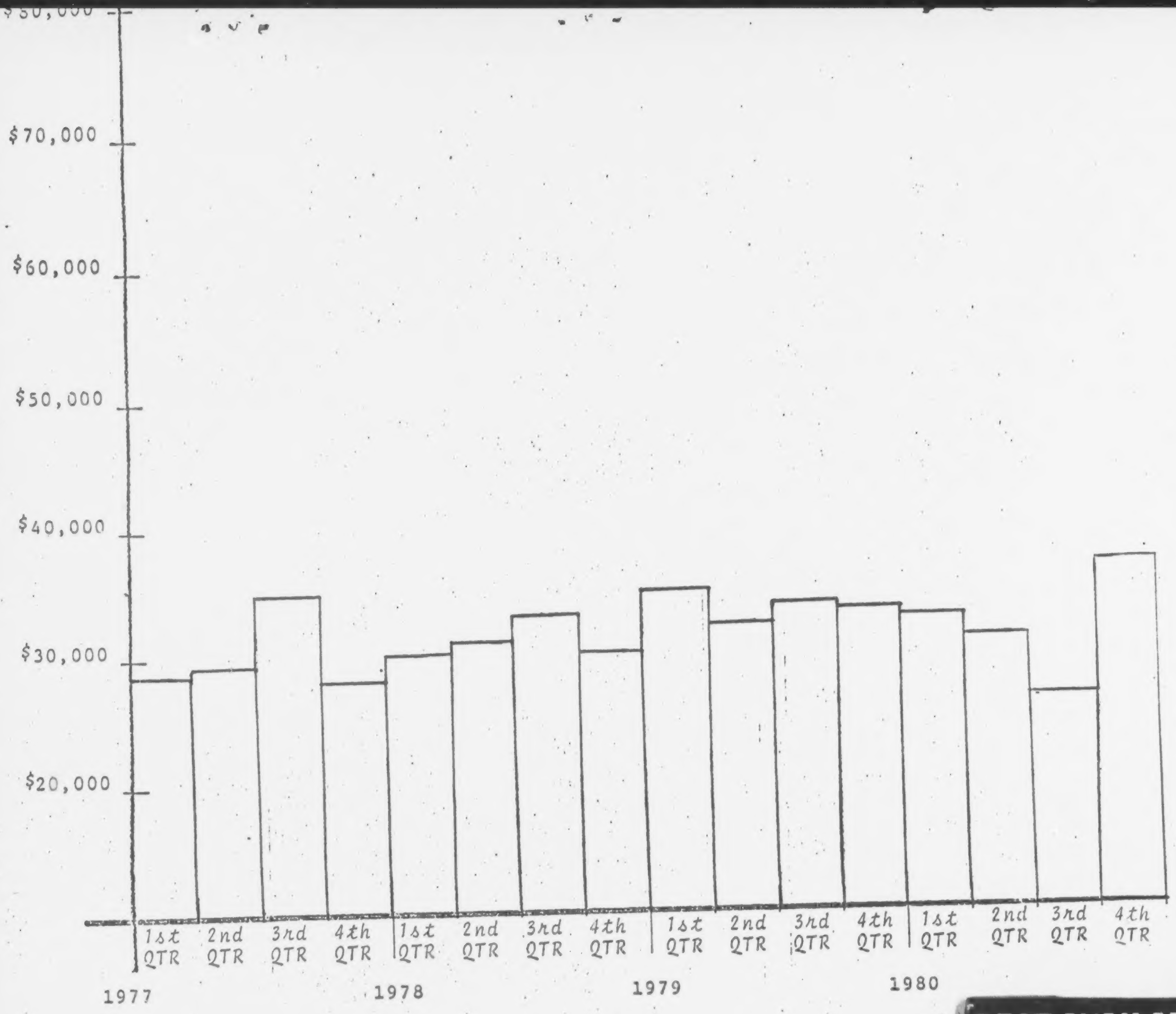


AVERAGE BUILDER'S COST OF A SINGLE FAMILY HOME

1977-1980

(BY QUARTER)

AVERAGE BUILDER's COST FOR A SINGLE FAMILY HOME STATEWIDE BY QUARTER



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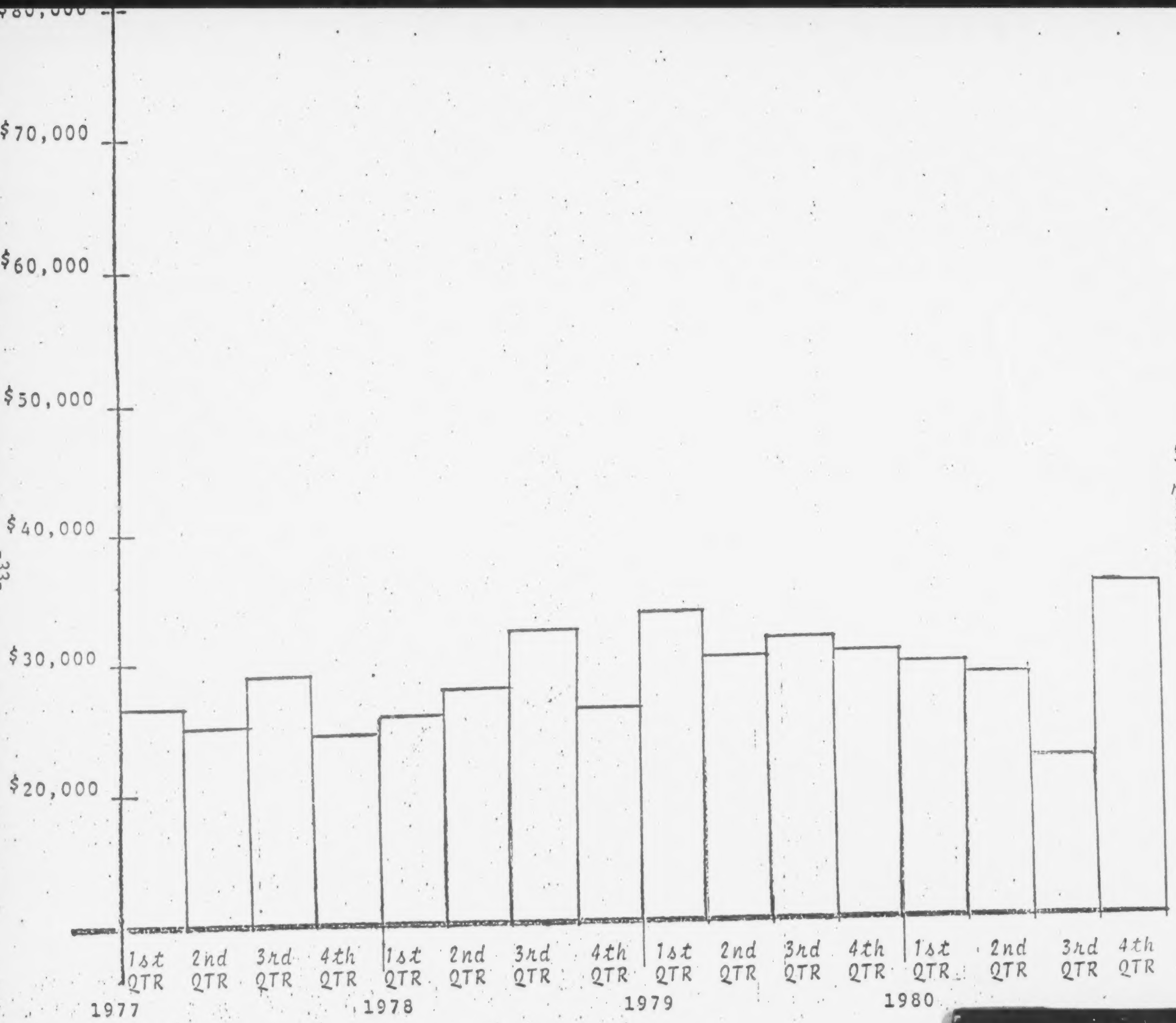

AVERAGE BUILDER's COST FOR A
SINGLE FAMILY HOME
NEW CASTLE COUNTY
BY QUARTER

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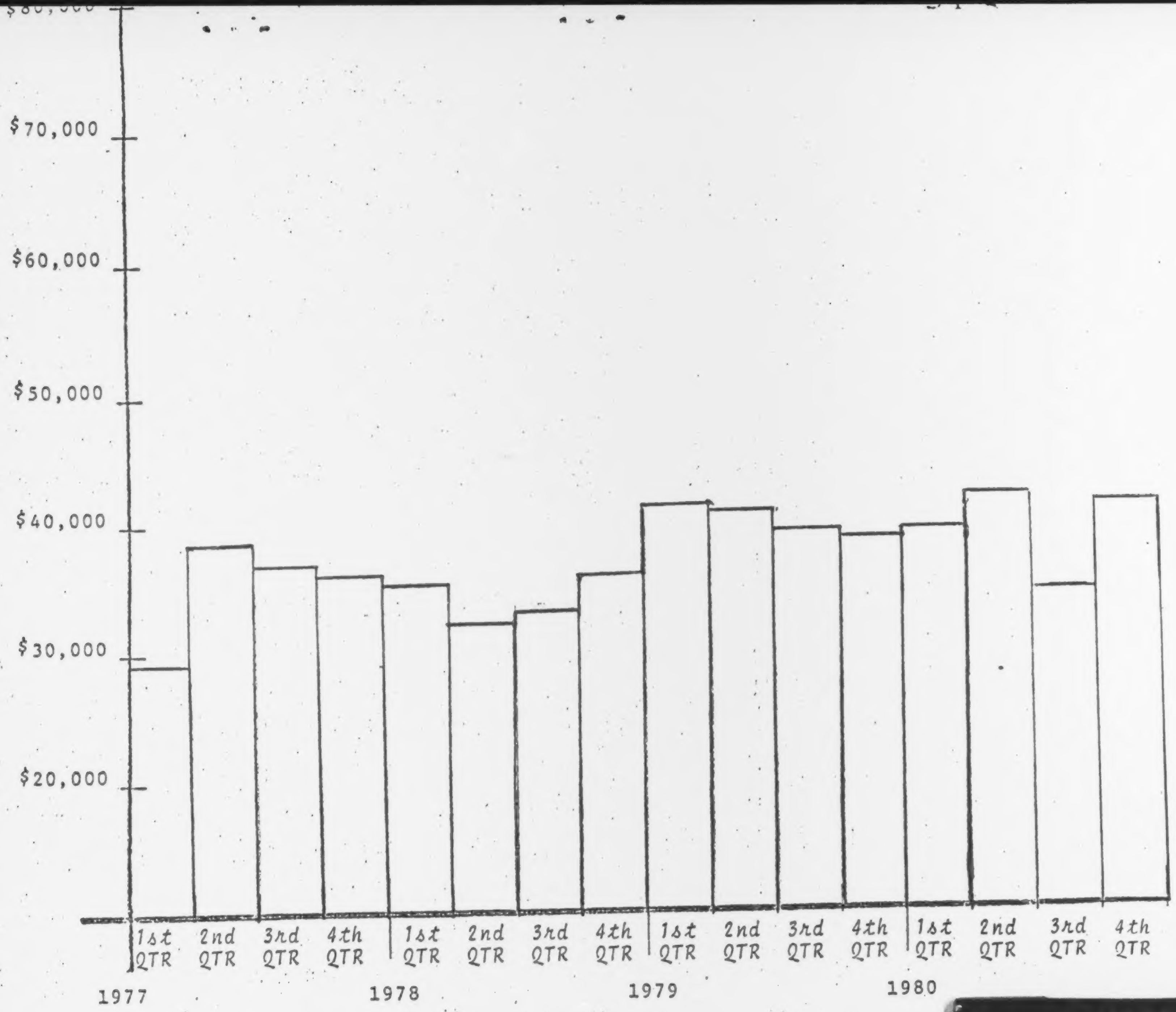
AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
KENT COUNTY BY QUARTER



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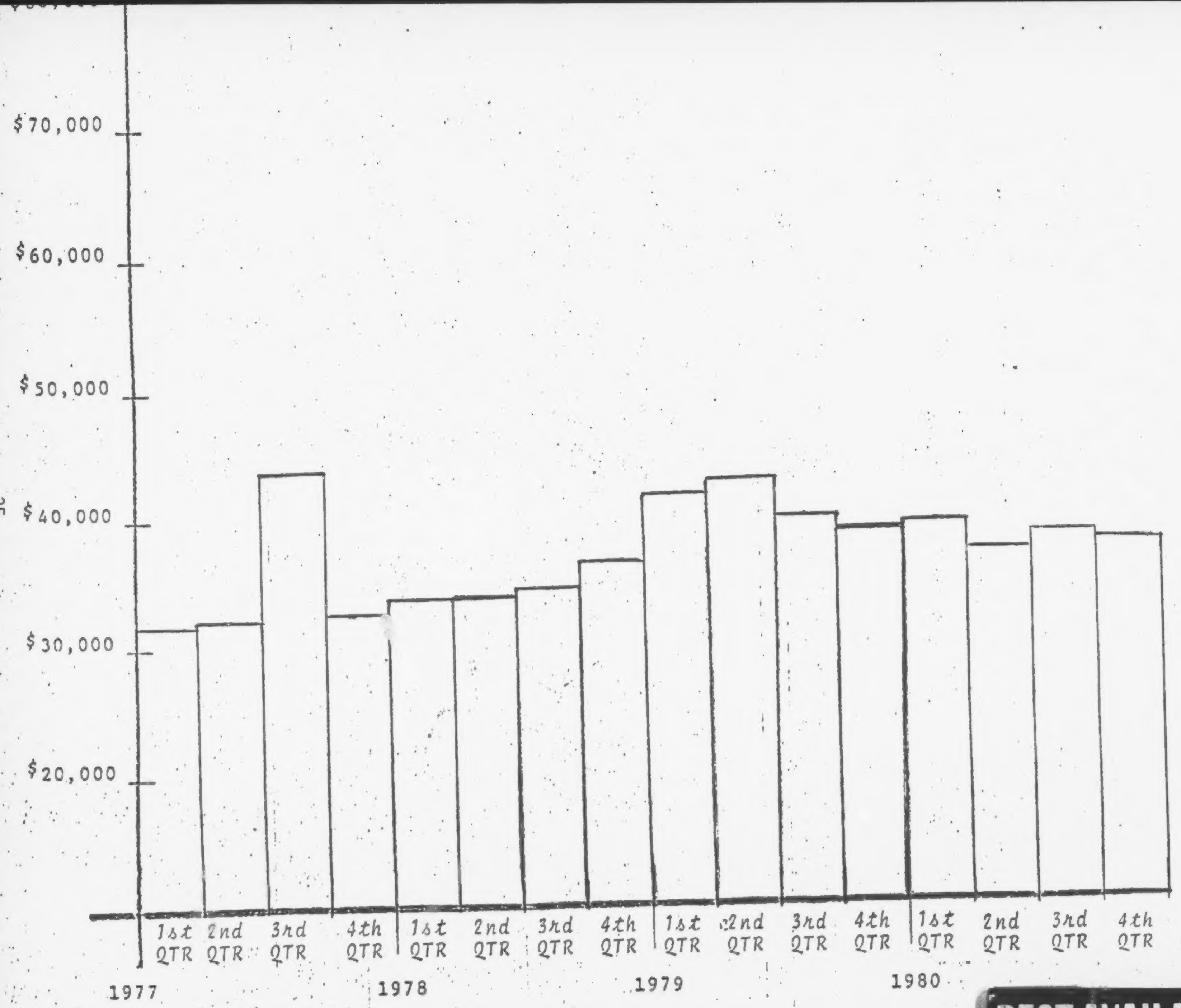

AVERAGE BUILDER's COST FOR A SINGLE FAMILY HOME
SUSSEX COUNTY BY QUARTER

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QUARTERLY FEATURE

THE 1981 HOUSING OUTLOOK

By Joseph P. Johnson
Executive Vice President
Homebuilders Association
of Delaware

THE 1981 HOUSING OUTLOOK

By
Joseph P. Johnson
Executive Vice President
Homebuilders Association of Delaware

1981 will present some problems for the residential construction industry.

1981 could see an increase in unemployment in Delaware somewhat greater than that of 1980.

While not a certainty yet, it is likely that the lay-offs in Chrysler's Newark plant could become more serious. Also, it is very doubtful that the burned out Amoco plant will re-open. If the present economic conditions nationally do not improve, we can expect further industrial and commercial unemployment. This will effect local housing sales.

We must remember that sales of homes which involve new mortgages are to a great extent made to a buyer with both husband and wife working, so that it is their combined salary that makes a purchase of a home possible. With increased unemployment, the sales of homes are seriously curtailed. It takes an income of $50,000 to qualify for a $60,000 mortgage at today's conventional interest rates.

Many economists are predicting that interest rates will be lower by mid-year 1981. This, of course, could be a big plus for the housing market and help offset the drag on sales from unemployment.

As of December, 1980, the going interest rate on first mortgages with a level monthly payment of interest and principal was between 16% and 17% - if such mortgages could be found!

Most mortgages, if available at all, were variable rate mortgages with interest at about 15% and subject to change every three to five years.

Construction money for builders and developers was two points above prime - or 22½% as of January 2, 1981. This, of course, has had an extreme dampening effect on development of land and the construction of speculative or "for sale" houses.

The mortgage picture outlined above certainly points up the advantages of the recent New Castle County bond issue making available the 12.7% level payment long-term mortgage. There will, however, be far less opportunity for the State of Delaware or the counties to come out with tax-exempt mortgage bonds in the future. This will hurt badly!

The new rules applying now to such issues under the revised Ullman Bill are much stricter than before.

Principal among the restrictions is the rule that a prospective mortgagor must not have owned a home for three years prior to his application for such a mortgage: if a buyer assumes a mortgage originally financed by a tax-exempt bond issue, he must meet the principal residence requirement, the three year non-ownership requirement, the purchase price limitation and the income limitation.

(*Ed. note*). Qualified owner-occupied residential mortgage bonds must meet the following requirements under the new rules:

1. The property mortgaged may be single-family dwellings (including condominiums or cooperatives) or properties with up to four family units with at least one owner-occupied.

2. Each mortgagor must not have been a homeowner within the last three years. However, exceptions are provided for (a) rehabilitation loans, (b) home improvement loans, and (c) loans for mortgages on residences in "targeted areas" (usually areas in which most families have significantly less than state-wide median income).

3. The purchase price of each residence must not exceed 90% of the average purchase price in the preceding year for residences in the standard metropolitan statistical area in which the mortgage is placed (110% in "targeted areas").

4. Individuals who assume mortgages originally financed with tax-exempt bonds must also meet the above requirements.

5. None of the proceeds can be used to acquire or replace existing mortgages, though the bond proceeds may replace construction period loans or bridge loans.

6. The amount of housing bonds that can be issued in a state is limited to the greater of $200,000,000 or 9% of the average of all mortgages originated in the state in the previous three years. Methods are provided for allocating the state ceiling among the governmental units within a state which can issue mortgage subsidy bonds.

7. At least 20%, but not more than approximately 40%, of the lendable proceeds of a bond issue must be made available for at least one year in the "targeted areas" (if any) in the issuing jurisdiction.

8. Interest rates on the homeowners' mortgage is limited to one percentage point above the yield to maturity of the purchase of qualified bonds. Also, certain rules forbidding arbitrage are provided.

9. All qualified bonds issued after December 31, 1981 must be in registered form.

10. No qualified bonds can be issued after December 31, 1983.

11. Advance refunding of mortgage subsidy bonds will be prohibited after date of enactment of this law.

The purchase price limitation will also slow down use of such mortgages - the price cannot be more than 90% of the average purchase price for the preceding year in that mortgage area.

Delaware has been above the national average for starts on new construction in 1980, thanks mainly to the three (state and county) tax-exempt bond issues during the year.

Nationally, the 1980 starts of new housing is well below 1979 - about 8 to 10%. We in Delaware are about 8% higher than the national average. This does not mean we are booming, we just aren't doing as bad as most. We can thank the County and State bond issues for this.

The consensus of the members of the Homebuilders Association of Delaware is that in 1981 we will sell about 80 to 90% as many houses this year as in 1980, assuming conventional mortgage interest does not go below 13%. If mortgage rates go below 12½%, we should do better than 1980.

- # -

IMPLICATIONS OF NEW RESTRICTIONS

These very high market rates for mortgages certainly point out the advantages of the tax-exempt bond programs. The two most recent bond issues by the Delaware State Housing Authority and New Castle County lent out mortgage money at 9.875% and 12.70%, respectively.

While these bond programs have been instrumental in keeping the market alive in 1980, the passage of the Ullman Bill last month means that there will be far less opportunity for the Delaware State Housing Authority or the municipal governments to come out with new bond issues in the future.

The Ullman Bill (named after its sponsor, the recently defeated Chairman of the House Ways and Means Committee, Congressman Al Ullman of Oregon) takes a double-barrelled approach to restricting the use of tax-exempt bonds for housing.

On the one hand, restrictions are placed on those who receive the benefits of the program. Principal among these restrictions is the rule that a prospective borrower must not have owned a home for three years prior to his application for a subsidized mortgage; if a buyer assumes a mortgage originally financed by a tax-exempt bond issue, he must also meet this requirement. This rule apparently includes divorcees (who are moving from a shared home to one of their own) and the owners of mobile homes in its ambit.

The next restriction is on the purchase price of the homes that can be financed under the programs. The selling price can be no more than 90% of the average sales price in that county in the previous year. The limit is 110% in certain targeted areas, which are defined as areas where 70% of the households earn less than 80% of the statewide median income. The limit is calculated separately for new and existing homes, and for one, two, three and four-unit properties. Theoretically, there could be as many as forty-eight separate limits in the State of Delaware.

While definitive figures are not known yet, it is estimated that the limit will be about $50,000 on existing homes and $60,000 on new homes.

The impact of these new rules is not yet clear. Currently, about 76% of DSHA's borrowers are first-time homebuyers. And, approximately 65 to 75% of the homes financed meet the purchase price limitations. Where the county and city programs stand is impossible to say, because they publish no statistics on their programs. However, given their higher income limits and larger downpayments and points, they are probably worse off than DSHA in the new environment. The ultimate limit to the tax-exempt bond programs is now set by the number of first-time homebuyers in the market each year, which is approximately 2,500 statewide.

The second set of restrictions is aimed more at the issuer of the bonds than at the beneficiaries. The first new rule is a limit on the volume of bonds that may be issued. That limit is 9% of the mortgage market, or $200 million (whichever is greater), each year for three years. After 1983, no more bonds may be issued. The $200 million limit is the one applicable to Delaware, since 9% of our mortgage market is only about $35 million. This $200 million in legal authority is split half and half between DSHA and local governments. Preliminary estimates of the split in Delaware are as follows:

$100 million - DSHA
45 million - New Castle County
10 million - Wilmington
5 million - Newark
15 million - Kent County
5 million - Dover
15 million - Sussex County
5 million - 24 Sussex Towns
$200 million

This market limitation is not a major problem, for in no year have more than $200 million in bonds been issued statewide. 1980 saw $190 million sold, and 1979's volume was $196 million.

The restriction that causes the greatest concern is the new and stricter limitation on arbitrage on the bond issues. Arbitrage is the difference between the interest rate paid on the bond issue and the interest earned on the mortgages and reserves. It is used to pay for the costs of selling the bonds, and for the cost of servicing the mortgage loans and administering the programs. The most important thing to remember about the bond programs is that they are self-supporting, and do not cost the issuer any tax dollars.

Rating agencies award good bond ratings, and investors buy the bonds, largely due to the expectation that the programs will at least break even.

In moving to restrict arbitrage, Mr. Ullman sought to make the bond issues money-losing ventures, and thus guarantee their extinction. We do not know at this time whether he succeeded or not. It will take a lot of work, a lot of analysis and innovation to figure out whether new tax-exempt bond issues are financially feasible.

While the details of the restrictions are long and complex, what Mr. Ullman did was re-write the rules so that virtually every fee charged in connection with the program now has to come out of the issuer's spread, even if the issuer never sees the money or if somebody else besides the borrower pays it. All these new restrictions mean that the continuation of the tax-exempt bond programs is very much in doubt.

REVIEW OF HOUSING PRODUCTION

1970 Through 1980

INTRODUCTION

The following data has been compiled on a quarterly basis from 1972 through 1980. In addition, annual information from 1970 and 1971 has been included for purposes of comparison.

HOUSING PRODUCTION

STATE-WIDE

Housing production in 1980 showed declines in all phases of production: total production, single family starts, multi-family starts and mobile home sales.

Single family production 1980 was nearly identical to that of 1979 with 2,077 and 2,199 units respectively. This is less than a 5% decrease.

The multi-family production of 639 units in 1980 dropped 107 units (21%) from the 809 produced in 1979.

Mobile home sales of 862 dropped 286 units (25%) from the 1,148 sales reported in 1979.

The major cause of slumping starts was a combination of inflation coupled with high mortgage rates. To help relieve some of these contractionary trends, the Delaware State Housing Authority's Low Interest Single Family Mortgage Program for low and moderate income families financed 758 new single family homes (as well as 1,543 existing homes) throughout the state in 1980. Mortgages for new homes represented approximately 26% of all new single family housing starts in 1980. Roughly 7% of all new single family housing starts in 1979 were financed by the Delaware State Housing Authority's Low Interest Single Family Mortgage Program.

THE COUNTIES

Total production in New Castle County 1980 was 1,818 down 29 units from 1979's total of 1,847.

Single family production was 1,328 units, an increase of 11% from the 1,185 units produced last year. Multi-family construction was 368, off 198 units (35%) from the 566 units recorded in 1979. Mobile home sales increased by 24 units (20%), from 98 in 1979 to 122 in 1980.

Kent County's total production declined 49% from 1,117 units in 1979 to 569 units in 1980.

Single family production in Kent County totalled 198 this year, a 46% decrease from last year's total of 372. Multi-family production declined 151 units to 11, last year's total was 162. Mobile home sales declined 224 units (38%), from 584 in 1979 to 360 this year.

Sussex County total production 1980 was 1,192 units, up 2 units from 1979's total of 1,190.

Sussex County's single family production of 552 units declined 90 units (14%) from last years total of 642. Multi-family production of 260 units increased 68% from the 82 recorded a year ago. Mobile home sales dropped 286 units (25%) to 862 from last year's total of 1,148.

CONSTRUCTION COST

On-Site Construction Cost	1980	1979	% Change
Statewide	$81,164,486	$97,590,000	- 17%
Single Family	67,025,098	78,003,000	- 14%
Multi-Family	14,139,348	19,587,000	- 28%
Average Cost	29,905	34,311	- 13%
Single Family	32,270	35,476	- 9%
Multi-Family	22,127	25,376	- 13%
New Castle County	45,315,380	49,212,000	- 8%
Single Family	37,494,607	37,463,000	+.08%
Multi-Family	7,820,776	11,749,000	- 33%
Average Cost	26,718	28,105	- 5%
Single Family	28,233	31,617	- 11%
Multi-Family	21,252	20,779	+ 2%
Kent County	8,018,080	20,796,000	- 61%
Single Family	7,764,308	14,903,000	- 48%
Multi-Family	253,772	5,893,000	- 2322%
Average Cost	38,364	39,017	- 2%
Single Family	39,213	39,682	- 1%
Multi-Family	23,070	36,200	- 36%

On-Site Construction Cost	1980	1979	% Change
Sussex County	$27,839,477	$27,582,000	+ .9%
Single Family	21,774,677	25,637,000	- 15%
Multi-Family	6,064,800	1,945,000	+311%
Average Cost	34,285	38,613	- 11%
Single Family	39,446	39,943	- 1%
Multi-Family	23,326	31,628	- 26%

The following charts and graphs illustrate housing production in the areas of single family, multi-family, mobile home sales and total production. This information is presented by county and year from 1970 - 1980.

PRODUCTION VOLUME

1970 - 1980

SINGLE FAMILY PRODUCTION

	1970	1971	1972	1973	1974	1975
NCC	1,697	2,078	2,026	1,987	725	885
KENT	311	650	552	761	570	450
SUSSEX	562	854	1,066	1,024	651	599
STATE	2,570	3,582	3,644	3,772	1,946	1,934

MULTI-FAMILY PRODUCTION

	1970	1971	1972	1973	1974	1975
NCC	1,476	2,114	2,325	2,790	901	668
KENT	60	214	707	510	93	441
SUSSEX	30	297	473	614	215	2
STATE	1,566	2,625	3,505	3,914	1,209	1,111

MOBILE HOMES SALES

	1970	1971	1972	1973	1974	1975
NCC	437	337	364	354	187	98
KENT	843	792	638	938	605	410
SUSSEX	391	574	670	668	469	326
STATE	1,671	1,704	1,672	1,960	1,261	834

TOTAL PRODUCTION

	1970	1971	1972	1973	1974	1975
NCC	3,610	4,529	4,715	4,705	1,813	1,651
KENT	1,214	1,656	1,897	2,209	1,268	1,301
SUSSEX	983	1,725	2,209	2,306	1,335	927
STATE	5,807	7,911	8,821	9,646	4,416	3,879

PRODUCTION VOLUME

1970 - 1980

SINGLE FAMILY PRODUCTION

	1976	1977	1978	1979	1980
NCC	1,247	1,559	1,441	1,185	1,328
KENT	538	550	443	372	198
SUSSEX	637	755	733	642	552
STATE	2,422	2,864	2,617	2,199	2,077

MULTI-FAMILY PRODUCTION

	1976	1977	1978	1979	1980
NCC	84	920	299	566	368
KENT	4	14	102	161	11
SUSSEX	83	170	98	82	260
STATE	171	1,104	499	809	639

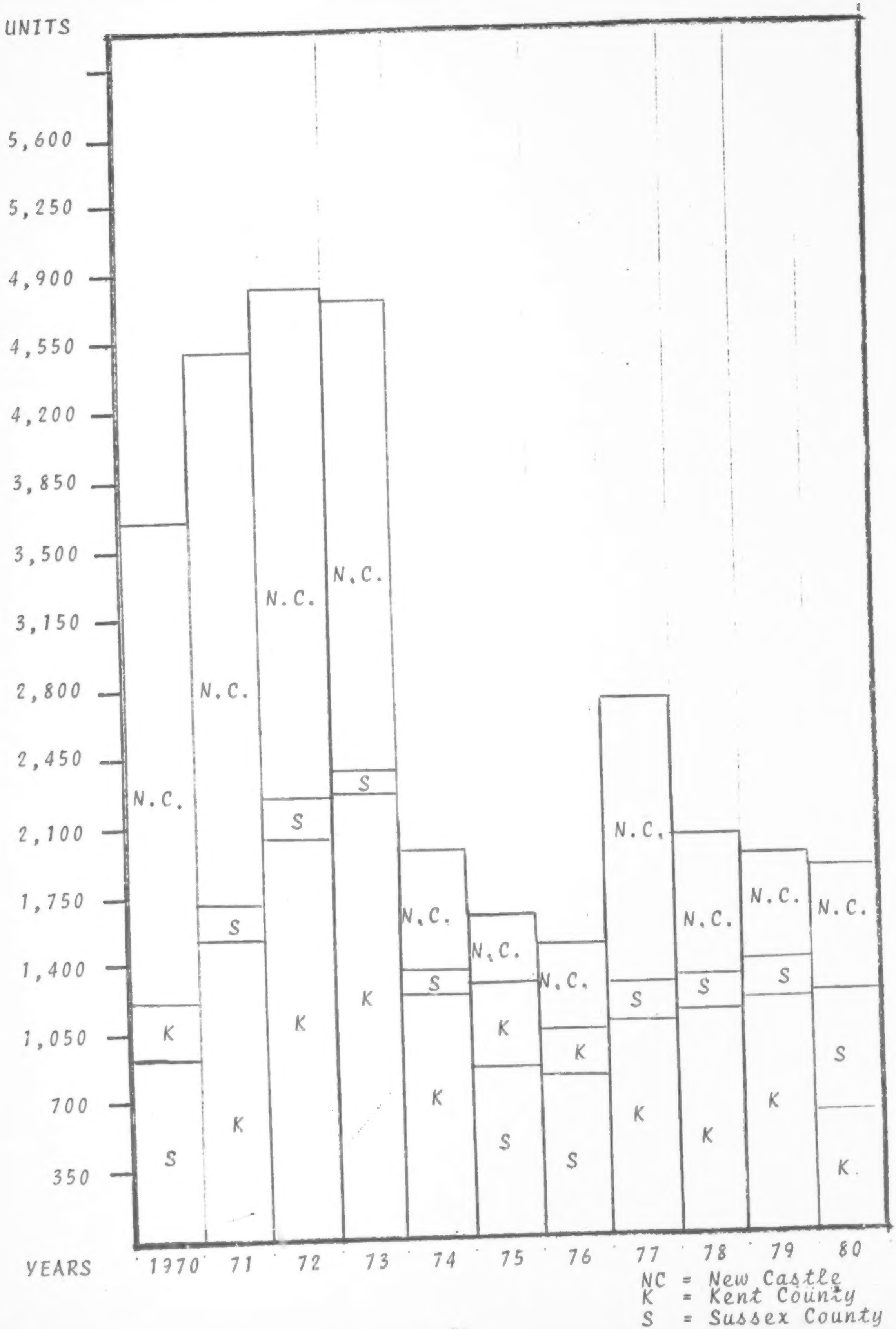
MOBILE HOME SALES

	1976	1977	1978	1979	1980
NCC	285	269	178	98	122
KENT	474	487	514	584	360
SUSSEX	140	174	273	466	380
STATE	899	930	965	1,148	862

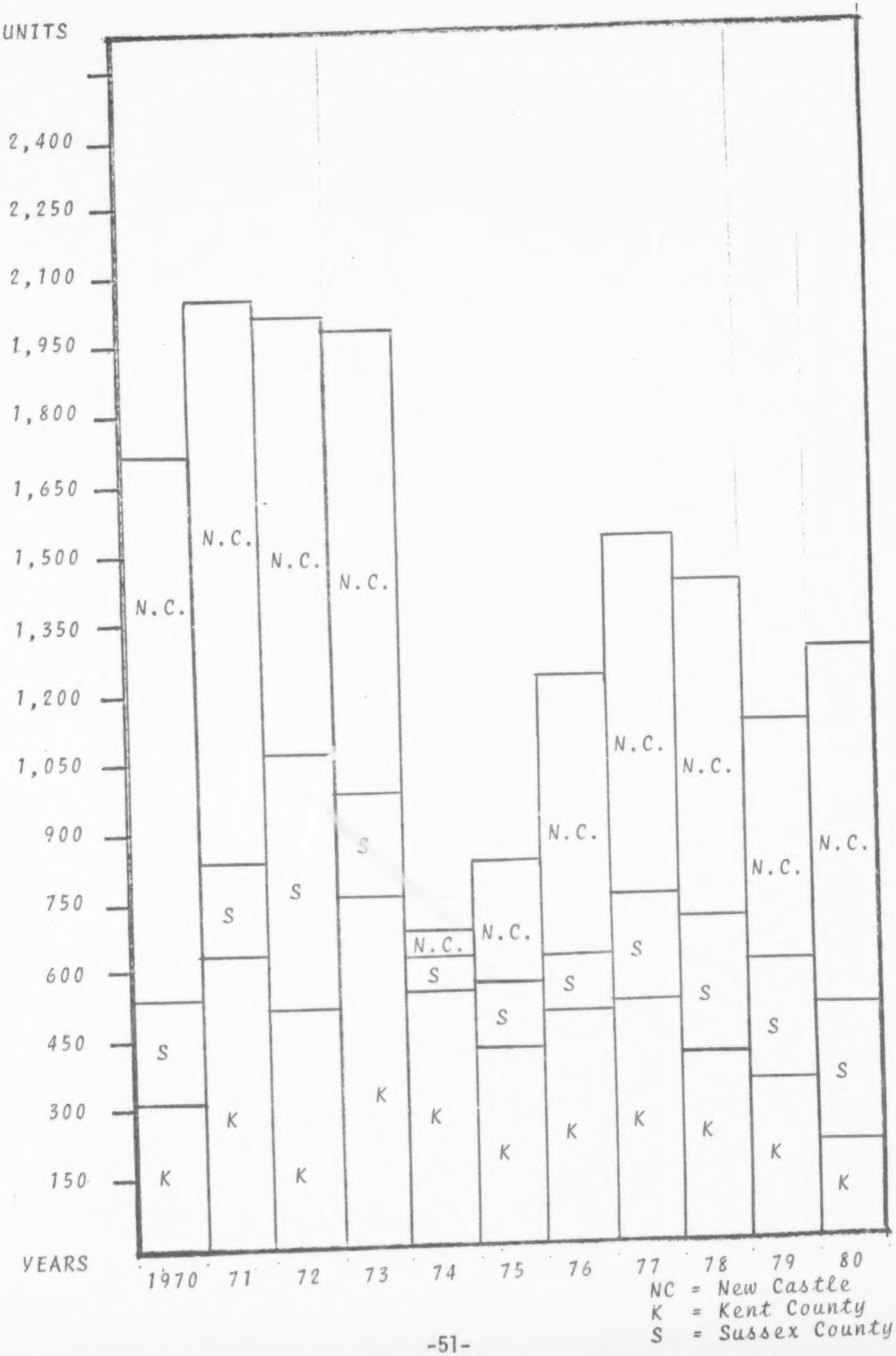
TOTAL PRODUCTION

	1976	1977	1978	1979	1980
NCC	1,616	2,748	1,918	1,849	1,818
KENT	1,016	1,051	1,059	1,117	569
SUSSEX	860	1,099	1,104	1,190	1,192
STATE	3,492	4,898	4,081	4,156	3,578

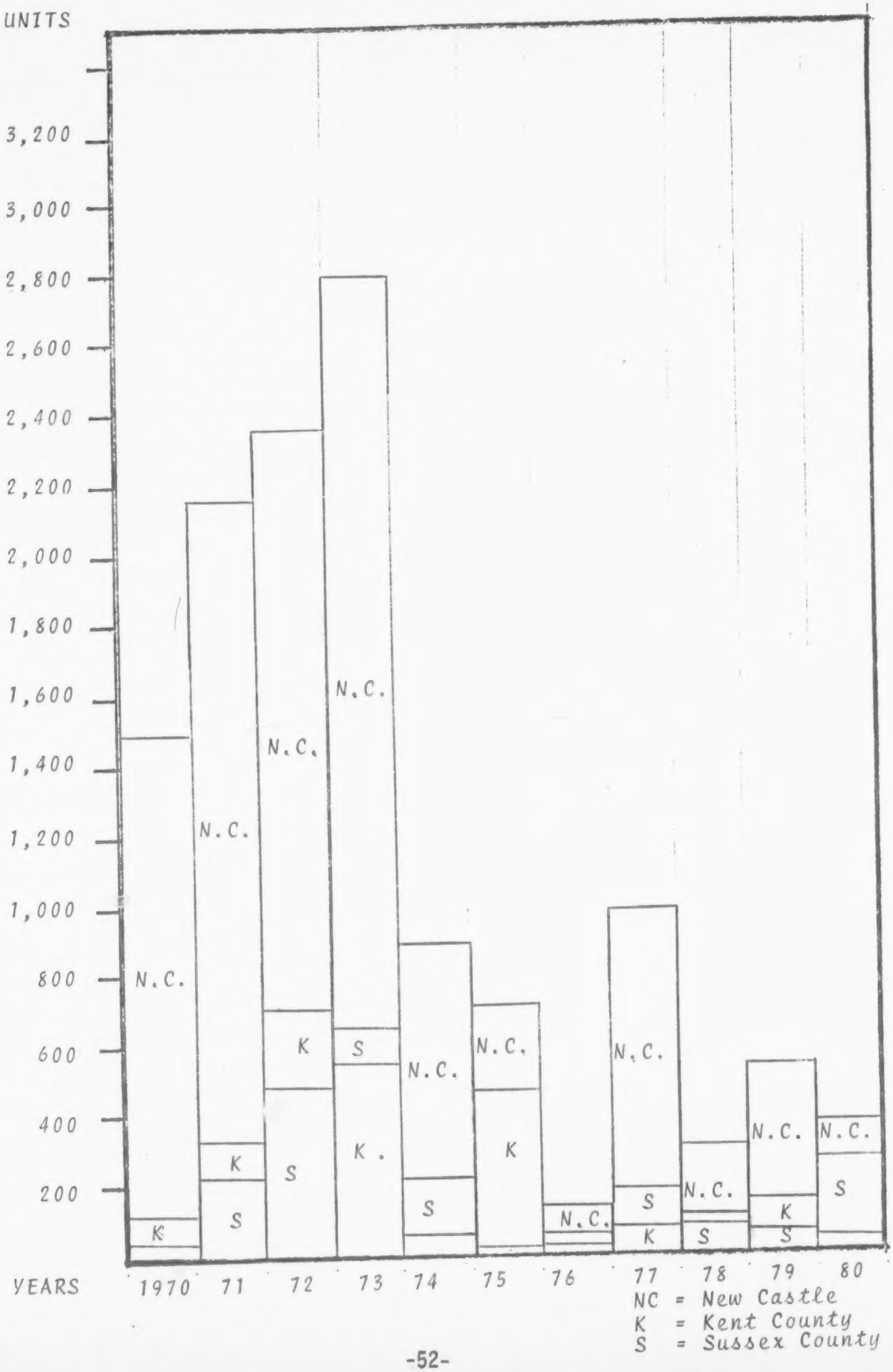
TOTAL PRODUCTION
BY COUNTY



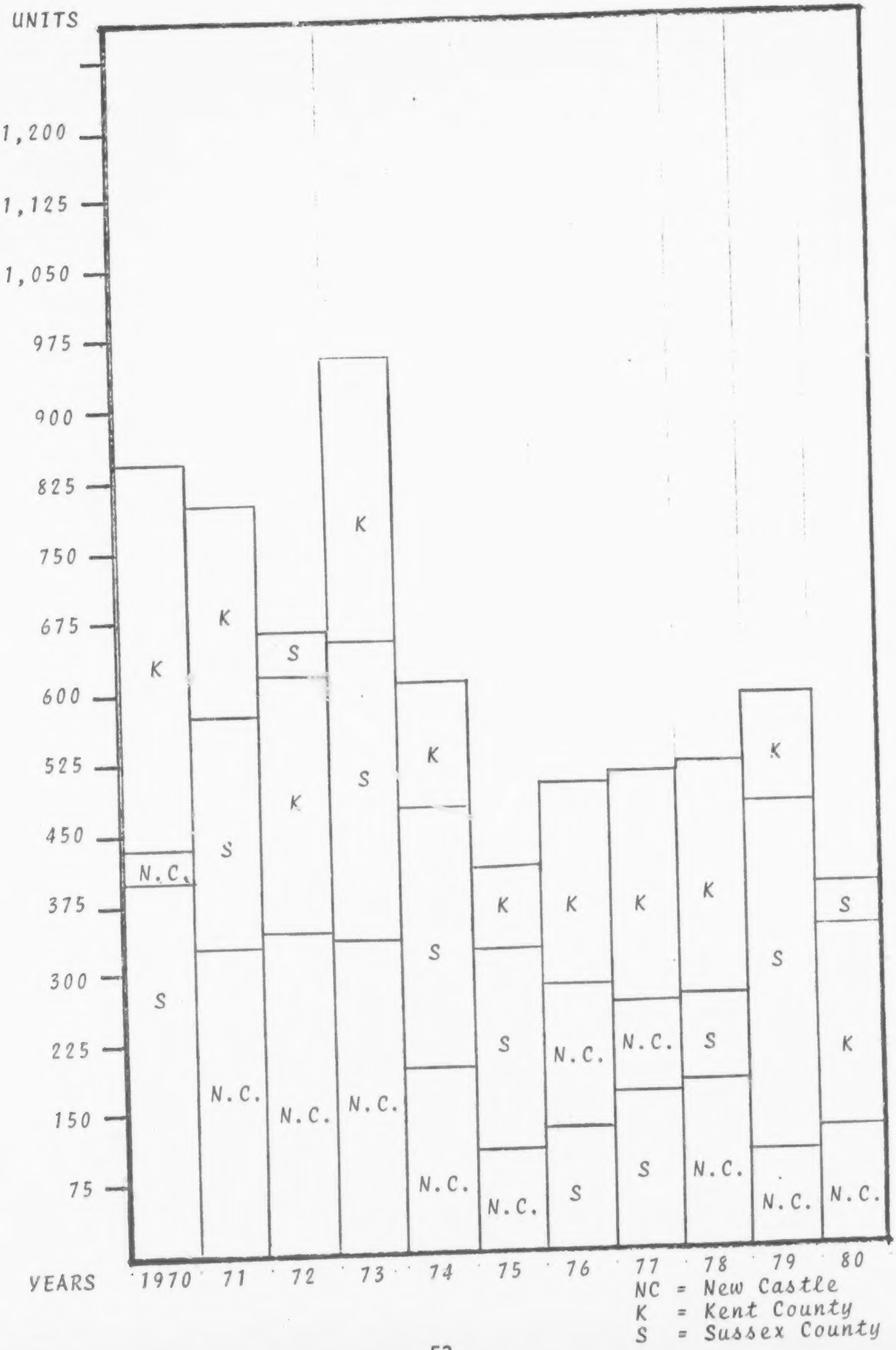
SINGLE FAMILY
HOUSING PRODUCTION
BY COUNTY



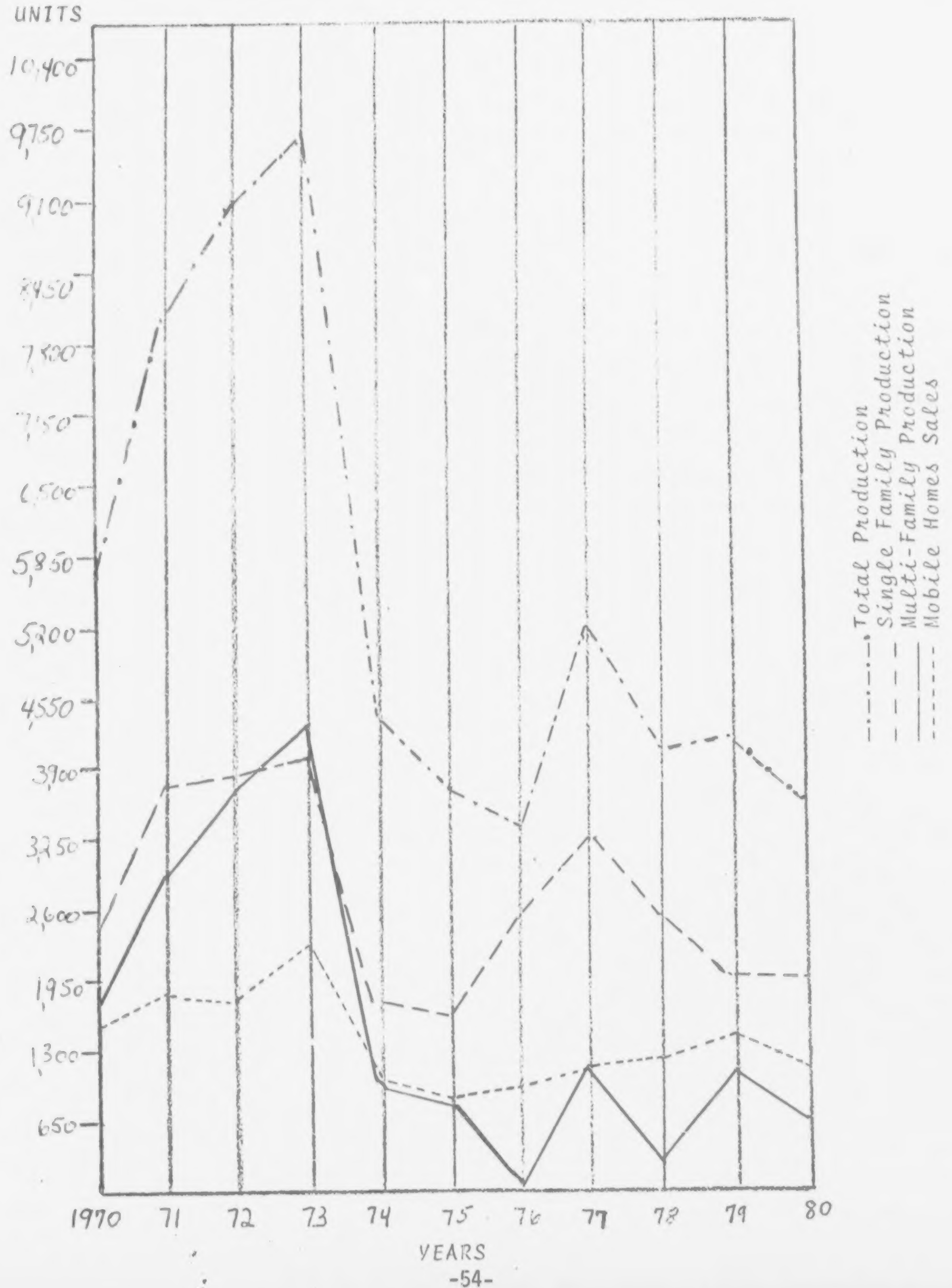
MULTI-FAMILY HOUSING PRODUCTION BY COUNTY



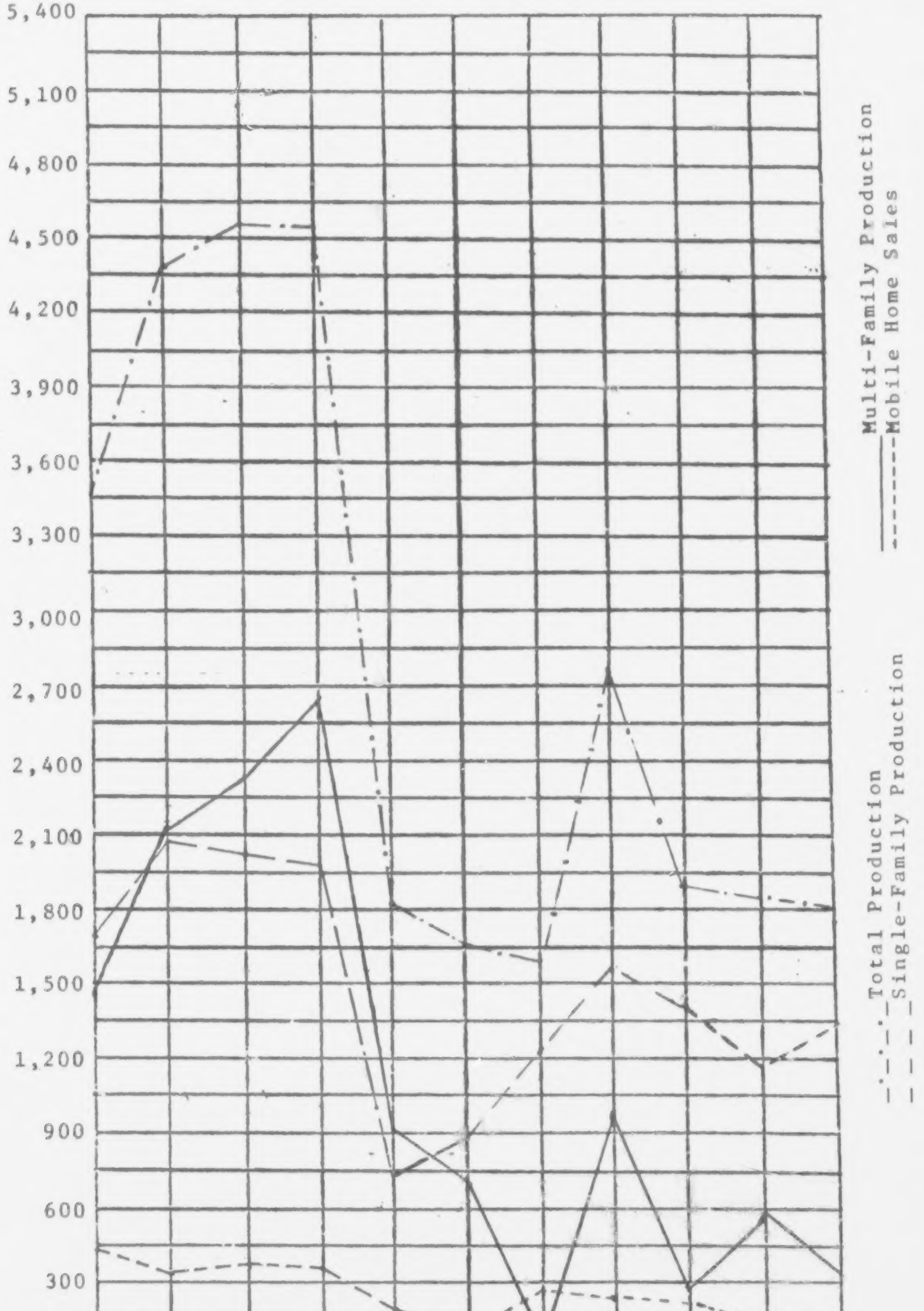
MOBILE HOME
SALES
BY COUNTY



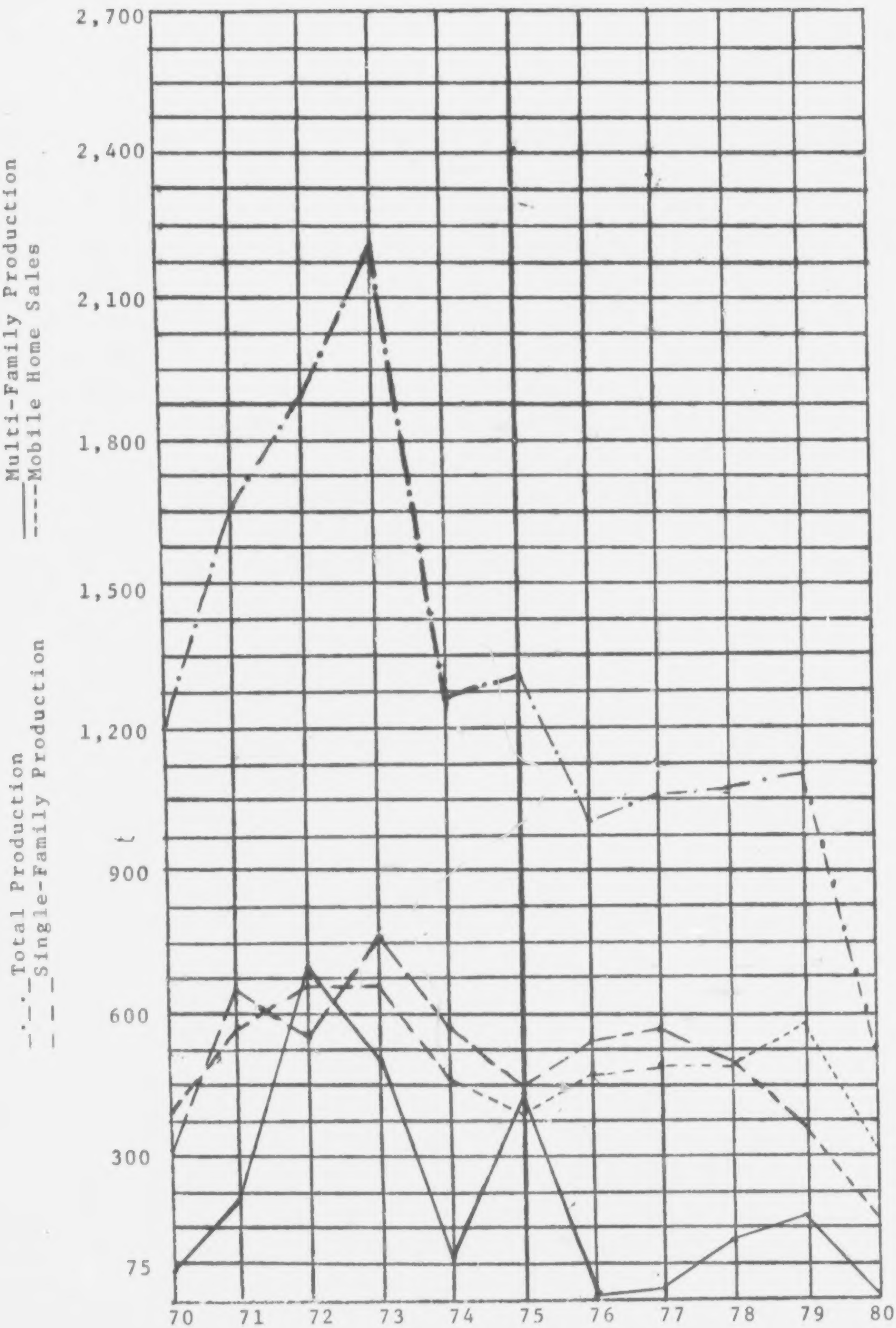
STATEWIDE HOUSING
ACTIVITY



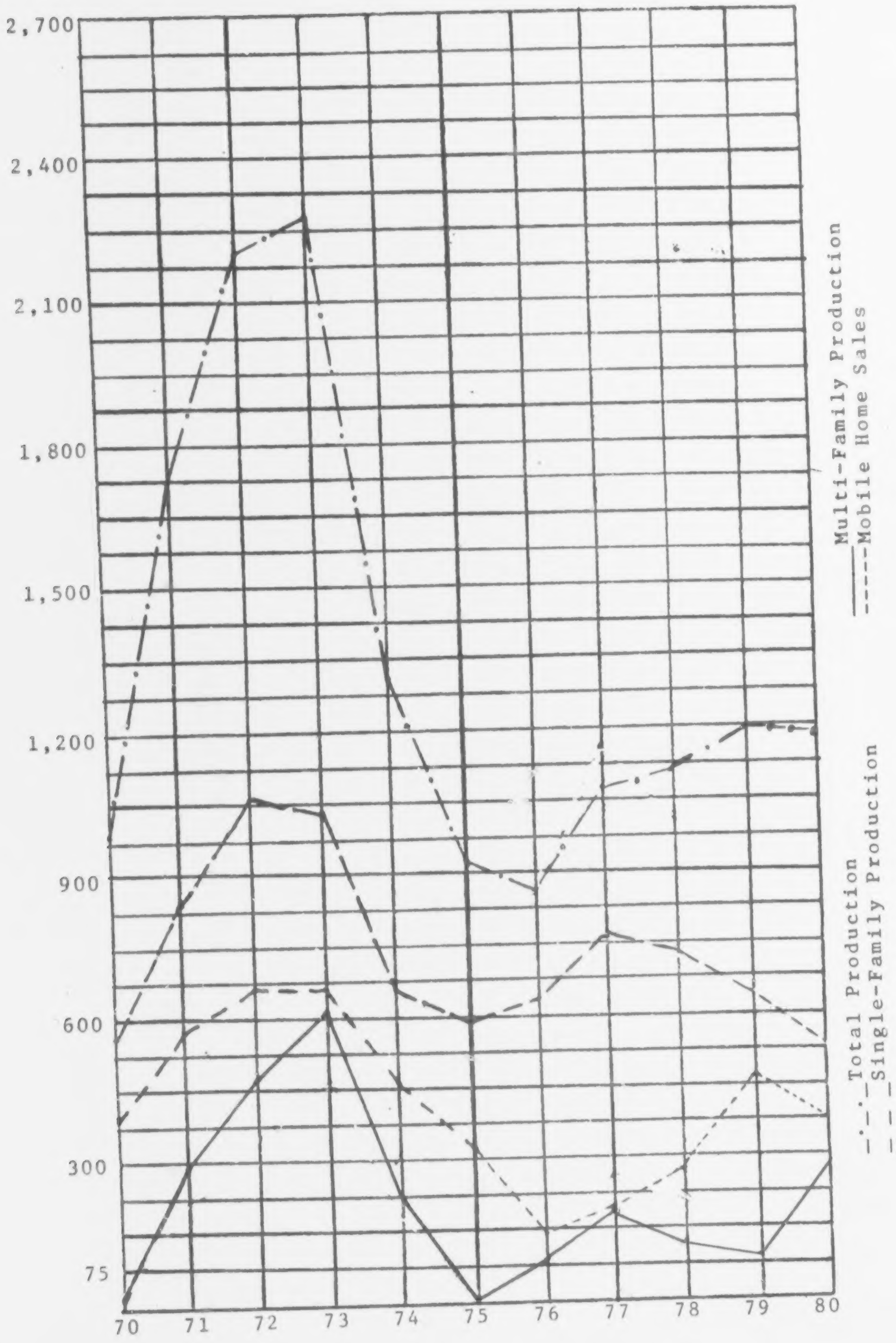
New Castle County Production



Kent County


2,700
2,400
2,100
1,800
1,500
1,200
900
600
300
75
70
71
72
73
74
75
76
77
78
79
80
—.—.—Total Production
— — —Single-Family Production
———Multi-Family Production
----Mobile Home Sales

Sussex County



ERRATA SHEET

Fourth Quarter 1980

After the fourth quarter, 1980 issue of the Quarterly Review was sent to the printers, an error concerning the double counting of 76 multi-family units in Sussex County was discovered. This error affects the fourth quarter and 1980 totals for Sussex County as well as the 1980 statewide totals as cited in several charts and graphs in this publication. The corrections are as follows:

Fourth quarter housing production totalled 684 units, down by 47% from the previous quarter's level of 1,293 units and down 30% from the 974 units recorded one year before.

The correct housing production in 1980 consists of 2,077 single family units, 563 multi-family units and 862 mobile home sales.

All changes on the specified charts and graphs should be made to Sussex County for the fourth quarter and 1980 totals. Statewide totals should also be adjusted. The charts affected are:

Page 10, Chart 1-C: Delete 76 multi-family units.

Page 13, Chart 2-C: Total costs should be reduced by $1,400,000.

Page 16, Chart 3-C: The average cost for a multi-family unit during the fourth quarter and 1980 in Sussex County should read $37,500 and $25,352 respectively. The 1980 state average for a multi-family unit was $22,627.

Page 20, Chart 7: Units using electric should be reduced by 76.

Page 22, Chart 9-A: Under multi-family units for the fourth quarter 1980, 1980 totals and state totals for Sussex County delete 24 one-bedroom, 24 two-bedroom and 28 three-bedroom units.

Page 46: Construction cost figures should reflect the changes specified above.

Page 49: Total production for 1980 in Sussex County was 1,116. State total production was 3,503. Multi-family production in Sussex County 1980 was 184. The State total was 563.

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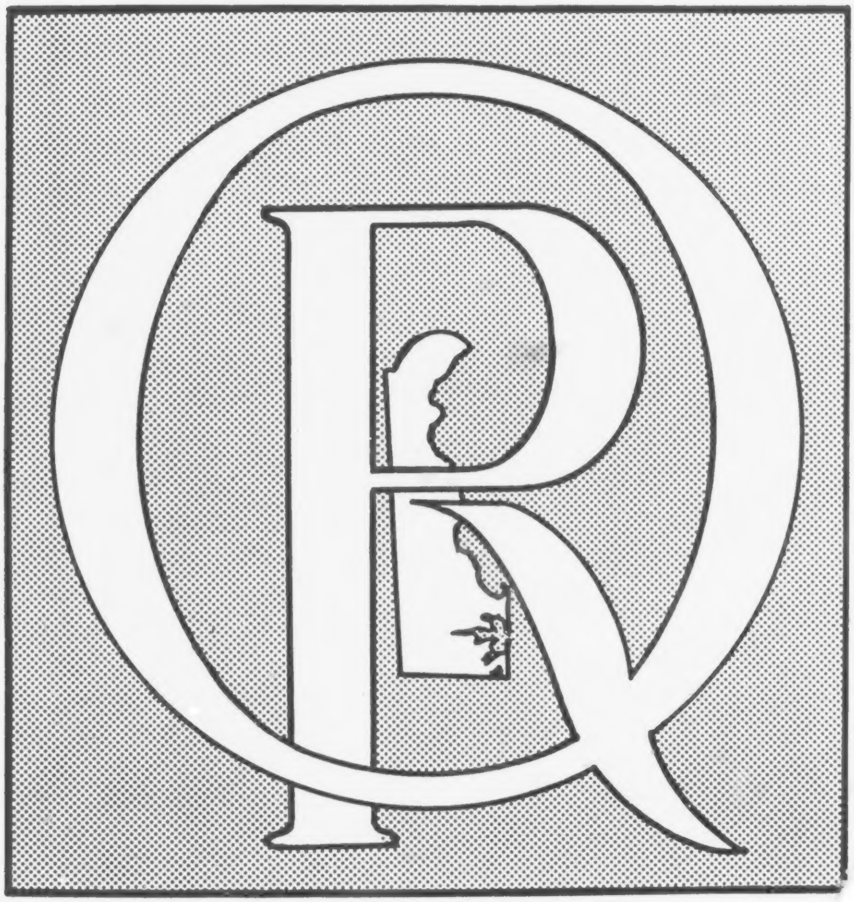
VOL. IX, NO. 2 SPRING, 1981

QUARTERLY REVIEW

HOUSING PRODUCTION IN DELAWARE



First Quarter, 1981

DEPARTMENT OF COMMUNITY AFFAIRS AND ECONOMIC DEVELOPMENT

DIVISION OF HOUSING

DELAWARE STATE HOUSING AUTHORITY

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MAY 04 1981

The cooperation of local building permit
offices in supplying data for this report
is gratefully acknowledged.

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QUARTERLY REVIEW
OF
HOUSING PRODUCTION
IN
DELAWARE

FIRST QUARTER, 1981

BY

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April, 1981

FOREWORD

Delaware's housing production for the 1981 first quarter of 771 units was just about as predicted -- a gloomy repeat of last year. The overall 5% decline from the 1980 first quarter was kept from being much worse by a 26% increase in single family production in Sussex County, along with an increase of 97 units in multi family production. Sussex County was the only part of the State where production improved from a year ago in all three categories -- single family, multi-family and mobile homes.

Compared to the last quarter of 1980, the production total was up by 11% in the first quarter with 368 single family units, 225 multi-family units and 178 new mobile homes.

The quarterly feature article in this issue is a good inside look at the changes taking place in Delaware's real estate industry. The President of the Delaware Association of Realtors, Richard E. Berl, describes how leaders in the industry are using this period of hard times to emerge stronger than ever before. It is an upbeat and encouraging review.

Robert S. Moyer
ROBERT S. MOYER
State Director of Housing

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INTRODUCTION

This report presents housing activity in Delaware for the first quarter of 1981. Included are data on the number of new housing units authorized by building permit, the number of mobile homes sold plus the total of residential demolitions. Construction costs, type of heating fuel, square footage and bedroom counts are also enumerated on a per unit basis. A feature article that predicts 1981 to be a year of transition for the real estate industry in Delaware also appears in this issue.

The information herein relates only to new housing units intended for occupancy on a housekeeping basis. Excluded are hotels, motels and other group residential structures. The figures are actual totals accumulated from authorized building permits recorded by various jurisdictions and compiled by the Delaware State Housing Authority.

Although the data relates to permit issuance rather than actual housing starts, permits are prompt, accurate indicators of construction activity. The United States Bureau of the Census states that approximately 98-99 percent of all authorized construction is eventually undertaken. So, for simplification, permit issuance will be expressed as "starts."

Building Permit Jurisdictions

New Castle and Kent County's building permit systems cover all unincorporated areas within their respective boundaries plus those areas without permit systems. Those towns and municipalities having permit laws are counted as separate entries within their counties. An exception is the town of Milford which straddles the borders of both Kent and Sussex

counties. Therefore, Milford's data is counted in the county containing the building activity.

Sussex County includes all municipalities in its building permit system, so it is necessary to adjust the total in order to avoid double-counting.

Definitions

Housing Unit - defined for the purposes of this report, a housing unit consists of a room or group of rooms intended for occupancy as separate, year-round living quarters by a family, group of unrelated people living together or a person living alone.

In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Migratory, seasonal and vacation housing has been omitted.

Chart 4 is based on the number of new mobile homes sold and titled for use in Delaware. Those homes labeled sectional, modular or "prefab" are counted as on-site construction.

Chart 5 presents enumeration of substantial rehabilitation as taken from building permits. Additions and alterations containing three of the following four elements constitute substantial rehabilitation: Electrical, heating, plumbing or structural work.

HOUSING PRODUCTION, FIRST QUARTER 1981

Synopsis:

First quarter housing production totalled 771 units, up 87 units (11%) from the previous quarter's level of 684 and down 41 units (5%) from the 812 recorded one year before.

The production total for the first quarter consists of 368 single family units (48%), 225 multi-family units (29%) and 178 new mobile homes (23%).

New Castle County's single family production of 145 units declined 51% from the previous quarter's 285 and dropped 37% from the 230 units produced during the first quarter 1980. First quarter 1981 multi-family production totalled 122 units. There was no multi-family activity during the fourth quarter 1980 while first quarter 1980 multi-family production totalled 216. On-site construction for New Castle County totalled 267 units.

Single family production in Kent County totalled 38, down 7 units (16%) from the last quarter and 5 units (12%) from the 43 produced one year ago. There was no multi-family production this or last quarter. One year ago, 11 multi-family units were recorded. Kent County's on-site construction totalled 38 units.

Sussex County's single family production of 185 units increased 26% from the previous quarter's total of 137 and 25% from the 138 units produced one year ago. Multi-family production of 103 units increased 97 units from the 6 produced last quarter. There was no multi-family production in Sussex County one year ago. On-site construction in Sussex County totalled 288 units.

CONSTRUCTION COST

Reported from building permits; costs of land, architectural services and engineering are not included.

TOTAL COST

Statewide, on-site residential construction cost for the first quarter 1981 totalled $19,227,551. This is a 10% increase from the $17,329,997 total last quarter and a 13% increase over the $16,718,493 total cost of one year ago. Single family cost was $14,679,551. Multi-family cost was $4,548,000. These figures show a 14% decrease in single family cost and over a 2,000% increase in multi-family cost from last quarter.

Total on-site construction cost in New Castle County during the first quarter 1981 was $6,619,140. This is 34% lower than last quarter's total of $9,984,329 and 30% lower than total construction costs of $9,516,390 one year ago. Single family cost was $5,020,140. This is 49% below last quarter's cost and 28% below the single family costs of one year earlier. Multi-family cost during the first quarter in New Castle County was $1,599,000. This is 36% below the $2,500,776 cost for this time last year. There was no multi-family production last quarter.

Kent County's first quarter total construction cost of $1,665,050 was 11% lower than the previous quarter's total of $1,864,764 and 3% below the $1,707,900 cost of one year ago. Single family cost was $1,665,050. There was no multi-family production last quarter or the first quarter of 1980.

Total on-site construction cost during the first quarter 1981 in Sussex County was $10,943,361, up 50% from last quarter's total of $5,480,904 and an increase of 47% from the $5,751,202 cost of one year ago. Single family cost was $7,994,361, up 34% from the $5,255,904 cost of last quarter and up 28% from the $5,751,202 cost of a year ago. Multi-family cost was $2,949,000 which is over 20 times the $225,000 cost of last quarter. There was no multi-family activity during the first quarter of last year.

AVERAGE COST

The statewide average cost of construction during the first quarter 1981 was $32,424. This is a 12% decrease from last quarter's average of $36,638 and an average cost $5,350 (17%) above the $27,074 average of one year ago. The first quarter average for a single family unit was $39,890, 8% higher than last quarter's average of $36,627 and 12% higher than the $35,218 average of a year ago. Average cost statewide for a multi-family unit was $20,213, 46% below the $37,500 average of last quarter and 43% above the first quarter 1980 average of $11,578.

Average cost for a single family unit in New Castle County was $34,621, down 1% from last quarter's average of $35,032. The 1981 first quarter average cost was 12% above that of 1980. The multi-family average cost was $13,106. This is 12% above the $11,578 cost of a year ago. There was no multi-family activity during the fourth quarter of 1980. Average unit cost in New Castle County for the first quarter 1981 was $24,790.

The average single family cost in Kent County for the first quarter was $43,817, an increase of 5% from last quarter's figure of $41,439 and a rise of 9% from the average of this time last year. There was no multi-family production this or last quarter. The average unit cost in Kent County for the first quarter 1981 was $43,817.

The first quarter 1981 average cost of a single family home in Sussex County was $43,212. This is an increase of 11% from the previous quarter's average of $38,364 and a rise of 4% over the $41,675 average for this time last year. Average multi-family cost was $28,631. This is 24% below last quarter's average of $37,500. There was no multi-family activity in Sussex County one year ago. The average unit cost for the first quarter in Sussex County was $37,997.

MOBILE HOME ACTIVITY

Mobile home sales in Delaware for the first quarter 1981 totalled 178, 16% below the 211 recorded last quarter and 2% above the 174 sold one year ago.

New Castle County's 22 units was a decrease of 19% from last quarter's total of 27 and was 32 units (59%) below those recorded this time last year.

Kent County's total of 68 units was 7 (10%) above last quarter's total of 61 but 10 (13%) below the 78 mobile home sales of a year ago.

The first quarter total for Sussex County was 88. This is 35 units (28%) below last quarter's total of 123 and 46 units (52%) above the mobile homes sold one year ago.

FEDERAL ASSISTANCE

Federal assistance in the form of direct loans, subsidies, mortgage insurance or mortgage guarantees for single family homes in Delaware were extended to 46 units during the first quarter, 1981.

The Federal Housing Administration reported 4 newly insured units during the first quarter. This is the same figure as last quarter and is just 1 unit below the 5 reported one year ago.

The Farmers Home Administration extended loans for 30 new homes in the first quarter 1981. This is 1 unit below last quarter's total of 31 and matches the number of loans extended for the first quarter of 1980.

Twelve (12) guaranteed loans for new construction were reported by the Veteran's Administration in the first quarter, an increase of 4 (33%) over both last quarter's and the first quarter 1980 total of 8.

NATIONAL HOUSING STARTS

The U.S. Department of Commerce reported that on-site housing starts were:

69,900	January
72,700	February
100,100	March
242,700	For the quarter

The above figures include single family and multi-family units. Single family starts were:

38,800	January
41,900	February
59,500	March
140,200	For the quarter

Multi-family starts were:

31,100	January
30,800	February
40,600	March
102,500	For the quarter

Charts 1 to 9B provide detailed information on the number of new housing units authorized for construction in Delaware. The data pertains to residential construction activity in 22 permit-issuing jurisdictions which account for all land area in Delaware. In addition, graphs of single family housing units authorized by month and average construction costs of single family homes are presented following this quarter's feature article.

HOUSING PRODUCTION DATA

FIRST QUARTER, 1981

CHARTS 1-9B

CHART 1-A: ON-SITE PERMITS ISSUED
NEW CASTLE COUNTY

Location	Structure	1980					1981	
		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr	Total	1st Qtr.	Total
Wilmington	Sngl.-fam.	36	9	13	22	80	7	7
	Multi-fam.	0	0	0	0	0	0	0
	Total	36	9	13	22	80	7	7
Newark	Sngl.-fam.	0	3	3	12	18	1	1
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	3	3	12	18	1	1
New Castle	Sngl.-fam.	1	2	0	0	3	1	1
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	2	0	0	3	1	1
Elsmere	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
N.C. Co. Balance	Sngl.-fam.	193	260	523	251	1,227	136	136
	Multi-fam.	216	0	152	0	368	122	122
	Total	409	260	675	251	1,595	258	258
N.C. Co. Total	Sngl.-fam.	230	274	539	285	1,328	145	145
	Multi-fam.	216	0	152	0	368	122	122
	Total	446	274	691	285	1,696	267	267

CHART 1-B: ON-SITE PERMITS ISSUED
KENT COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	Total
Dover	Sngl.-fam.	11	2	2	5	20	9	9
	Multi-fam.	0	0	0	0	0	0	0
	Total	11	2	2	5	20	9	9
Smyrna	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Milford	Sngl.-fam.	0	0	1	0	1	1	1
	Multi-fam.	0	11	0	0	11	0	0
	Total	0	11	1	0	12	1	1
Harrington	Sngl.-fam.	0	2	1	0	3	1	1
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	2	1	0	3	1	1
Camden	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Kent County Balance	Sngl.-fam.	32	44	58	40	174	27	27
	Multi-fam.	0	0	0	0	0	0	0
	Total	32	44	58	40	174	27	27
Kent County Total	Sngl.-fam.	43	48	62	45	198	38	38
	Multi-fam.	0	11	0	0	11	0	0
	Total	43	59	62	45	209	38	38

CHART 1-C: ON-SITE PERMITS ISSUED
SUSSEX COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd. Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	Total
Bethany	Sngl.-fam.	0	6	2	13	21	37	37
	Multi-fam.	0	0	0	3	3	19	19
	Total	0	6	2	16	24	56	56
Laurel	Sngl.-fam.	1	4	0	3	8	2	2
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	4	0	3	8	2	2
Lewes	Sngl.-fam.	0	1	0	1	2	1	1
	Multi-fam.	0	0	0	0	0	48	48
	Total	0	1	0	1	2	49	49
Milford	Sngl.-fam.	1	1	0	1	2	3	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	1	0	1	2	3	3
Rehoboth	Sngl.-fam.	0	6	3	8	12	6	6
	Multi-fam.	0	0	0	0	0	14	14
	Total	0	6	3	8	12	20	20
Seaford	Sngl.-fam.	1	1	1	1	4	1	1
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	1	1	1	4	1	1
Milton	Sngl.-fam.	0	0	1	1	2	0	0
	Multi-fam.	0	32	0	0	32	0	0
	Total	0	32	1	1	34	0	0
Millsboro	Sngl.-fam.	0	1	0	0	1	0	0
	Multi-fam.	0	20	52	0	72	0	0
	Total	0	21	52	0	73	0	0
Georgetown	Sngl.-fam.	0	2	1	0	3	0	0
	Multi-fam.	0	0	76	0	76	0	0
	Total	0	2	77	0	79	0	0
Sussex	Sngl.-fam.	135	110	135	109	489	135	135
County	Multi-fam.	0	0	0	3	3	22	22
Balance	Total	135	110	135	112	492	127	127
Sussex	Sngl.-fam.	138	132	145	137	552	185	185
County	Multi-fam.	0	54	128	6	186	103	103
Total	Total	138	184	273	143	740	288	288
State	Sngl.-fam.	411	454	745	467	2,077	368	368
Total	Multi-fam.	216	63	280	6	565	225	225
	Total	627	517	1,025	473	2,642	593	593

CHART 2-A: TOTAL COST ON-SITE CONSTRUCTION

(REPORTED FROM PERMITS)

NEW CASTLE COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr	Total	1st Qtr.	Total
Wilmington	Sngl.-fam.	1,641,228	540,000	784,000	1,130,000	4,095,228	280,000	280,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	1,641,228	540,000	784,000	1,130,000	4,095,228	280,000	280,000
Newark	Sngl.-fam.	0	87,000	80,500	304,255	471,755	29,000	29,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	87,000	80,500	304,255	471,755	29,000	29,000
New Castle	Sngl.-fam.	36,600	56,000	0	0	92,600	25,000	25,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	36,600	56,000	0	0	92,600	25,000	25,000
Elsmere	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
N.C. Co. Balance	Sngl.-fam.	5,337,786	7,483,925	11,463,239	8,550,074	32,835,024	4,686,140	4,686,140
	Multi-fam.	2,500,776	0	5,320,000	0	7,820,776	1,599,000	1,599,000
	Total	7,838,562	7,483,925	16,783,239	8,550,074	40,655,800	6,285,140	6,285,140
N.C. Co. Total	Sngl.-fam.	7,015,614	8,166,925	12,327,739	9,984,329	37,494,607	5,020,140	5,020,140
	Multi-fam.	2,500,776	0	5,320,000	0	7,820,776	1,599,000	1,599,000
	Total	9,516,390	8,166,925	17,647,739	9,984,329	45,315,383	6,619,140	6,619,140

CHART 2-B: TOTAL COST ON-SITE CONSTRUCTION

(REPORTED FROM PERMITS)

KENT COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	Total
Dover	Sngl.-fam.	312,000	99,000	34,000	187,000	641,000	368,000	368,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	321,000	99,000	34,000	187,000	641,000	368,000	368,000
Smyrna	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Milford	Sngl.-fam.	0	0	60,000	0	60,000	45,000	45,000
	Multi-fam.	0	253,772	0	0	253,772	0	0
	Total	0	253,772	60,000	0	313,772	45,000	45,000
Harrington	Sngl.-fam.	0	73,135	26,950	0	100,085	28,000	28,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	73,135	26,950	0	100,085	28,000	28,000
Camden	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Kent County Balance	Sngl.-fam.	1,386,900	1,862,383	2,036,176	1,677,764	6,963,223	1,224,050	1,224,050
	Multi-fam.	0	0	0	0	0	0	0
	Total	1,386,900	1,862,383	2,036,176	1,677,764	6,963,223	1,224,050	1,224,050
Kent County Total	Sngl.-fam.	1,707,900	2,034,518	2,157,126	1,864,764	7,764,308	1,665,050	1,665,050
	Multi-fam.	0	253,772	0	0	253,772	0	0
	Total	1,707,900	2,288,290	2,157,126	1,864,764	8,018,080	1,665,050	1,665,050

CHART 2-C: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
SUSSEX COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd. Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	Total
Bethany	Sngl.-fam.	0	253,600	109,000	570,300	932,900	1,541,390	1,541,390
	Multi-fam.	0	0	0	120,000	120,000	730,000	730,000
	Total	0	253,600	109,000	690,300	1,052,900	2,271,390	2,271,390
Laurel	Sngl.-fam.	29,800	121,250	0	90,290	241,340	65,500	65,500
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,800	121,250	0	90,290	241,340	65,500	65,500
Lewes	Sngl.-fam.	0	50,000	0	56,000	106,000	38,000	38,000
	Multi-fam.	0	0	0	0	0	1,075,000	1,075,000
	Total	0	50,000	0	56,000	106,000	1,113,000	1,113,000
Milford	Sngl.-fam.	29,500	34,500	139,500	69,000	272,500	104,800	104,800
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,500	34,500	139,500	69,000	272,500	104,800	104,800
Rehoboth	Sngl.-fam.	0	255,370	129,300	491,985	876,655	357,050	357,050
	Multi-fam.	0	0	0	0	0	330,000	330,000
	Total	0	255,370	129,300	491,985	876,655	687,050	687,050
Seaford	Sngl.-fam.	27,500	35,705	67,685	30,000	160,890	32,000	32,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	27,500	35,705	67,685	30,000	160,890	32,000	32,000
Milton	Sngl.-fam.	0	0	0	44,000	44,000	0	0
	Multi-fam.	0	800,000	0	0	800,000	0	0
	Total	0	800,000	0	44,000	844,000	0	0
Millsboro	Sngl.-fam.	0	35,891	0	0	35,891	0	0
	Multi-fam.	0	440,000	1,800,000	0	2,240,000	0	0
	Total	0	475,891	1,800,000	0	2,275,891	0	0
Georgetown	Sngl.-fam.	0	81,500	37,200	0	118,700	0	0
	Multi-fam.	0	0	1,399,800	0	1,399,800	0	0
	Total	0	81,500	1,437,000	0	1,517,800	0	0
Sussex County Balance	Sngl.-fam.	5,664,402	4,155,462	5,261,608	3,904,329	18,985,801	5,855,621	5,855,621
	Multi-fam.	0	0	0	105,000	105,000	814,000	814,000
	Total	5,664,402	4,155,462	5,261,608	4,009,329	19,063,801	6,669,621	6,669,621
Sussex County Total	Sngl.-fam.	5,751,202	5,023,278	5,744,293	5,255,904	21,774,677	7,994,361	7,994,361
	Multi-fam.	0	1,240,000	3,199,800	225,000	4,664,800	2,949,000	2,949,000
	Total	5,751,202	6,263,278	8,944,093	5,480,904	26,439,477	10,943,361	10,943,361
State Total	Sngl.-fam.	14,474,713	15,224,721	19,950,158	17,104,997	67,025,098	14,679,551	14,679,551
	Multi-fam.	2,500,776	1,493,772	8,519,800	225,000	12,739,348	4,548,000	4,548,000
	Total	16,718,493	16,718,493	28,469,958	17,330,037	79,764,486	19,227,551	19,227,551

CHART 3-A: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr	Total	1st Qtr.	Total
Wilmington	Sngl.-fam.	45,590	60,000	60,308	51,363	51,190	40,000	40,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	45,590	60,000	60,308	51,363	51,190	40,000	40,000
Newark	Sngl.-fam.	0	29,000	26,833	25,354	26,208	29,000	29,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	29,000	26,833	25,354	26,208	29,000	29,000
New Castle	Sngl.-fam.	36,600	28,000	0	0	30,866	25,000	25,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	36,600	28,000	0	0	30,866	25,000	25,000
Elsmere	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
N.C. Co. Balance	Sngl.-fam.	27,657	28,784	21,918	34,064	26,760	34,456	34,456
	Multi-fam.	11,578	0	35,000	0	21,252	13,106	13,106
	Total	19,165	28,784	24,864	34,064	25,489	24,361	24,361
N.C. Co. Total	Sngl.-fam.	30,503	29,806	22,872	35,032	28,233	34,621	34,621
	Multi-fam.	11,578	0	35,000	0	21,252	13,106	13,106
	Total	21,337	29,806	25,539	35,032	26,718	24,790	24,790

CHART 3-B: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
KENT COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	Total
Dover	Sngl.-fam.	29,182	49,500	17,000	37,400	32,050	40,888	40,888
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,182	49,500	17,000	37,400	32,050	40,888	40,888
Smyrna	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Milford	Sngl.-fam.	0	0	60,000	0	60,000	45,000	45,000
	Multi-fam.	0	23,070	0	0	23,070	0	0
	Total	0	23,070	60,000	0	26,147	45,000	45,000
Harrington	Sngl.-fam.	0	36,568	26,950	0	33,361	28,000	28,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	36,568	26,950	0	33,361	28,000	28,000
Camden	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Kent County Balance	Sngl.-fam.	43,341	42,327	35,106	41,944	40,018	45,335	45,335
	Multi-fam.	0	0	0	0	0	0	0
	Total	43,341	42,327	35,106	41,944	40,018	45,335	45,335
Kent County Total	Sngl.-fam.	39,719	42,386	34,792	41,439	39,213	43,817	43,817
	Multi-fam.	0	23,070	0	0	23,070	0	0
	Total	39,719	38,785	34,792	41,439	38,364	43,817	43,817

CHART 3-C: AVERAGE COST ON-SITE CONSTRUCTION

(REPORTED FROM PERMITS)

SUSSEX COUNTY

		1980					1981	
Location	Structure	1st Qtr.	2nd. Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	Total
Bethany	Sngl.-fam.	0	42,267	54,500	43,869	44,423	41,659	41,659
	Multi-fam.	0	0	0	40,000	40,000	38,421	38,421
	Total	0	30,313	54,500	43,125	43,870	40,560	40,560
Laurel	Sngl.-fam.	29,800	0	0	30,096	30,167	32,750	32,750
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,800	0	0	30,096	30,167	32,750	32,750
Lewes	Sngl.-fam.	0	50,000	0	56,000	53,000	38,000	38,000
	Multi-fam.	0	0	0	0	0	22,395	22,395
	Total	0	50,000	0	56,000	53,000	22,714	22,714
Milford	Sngl.-fam.	29,500	34,500	69,750	69,000	136,250	34,933	34,933
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,500	34,500	69,750	69,000	136,250	34,933	34,933
Rehoboth	Sngl.-fam.	0	42,562	43,100	61,498	73,054	59,508	59,508
	Multi-fam.	0	0	0	0	0	23,571	23,571
	Total	0	42,562	43,100	61,498	73,054	34,352	34,352
Seaford	Sngl.-fam.	27,500	35,705	67,685	30,000	40,222	32,000	32,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	27,500	35,705	67,685	30,000	40,222	32,000	32,000
Milton	Sngl.-fam.	0	0	0	44,000	22,000	0	0
	Multi-fam.	0	25,000	0	0	25,000	0	0
	Total	0	25,000	0	44,000	24,823	0	0
Millsboro	Sngl.-fam.	0	35,891	0	0	35,891	0	0
	Multi-fam.	0	22,000	34,615	0	31,111	0	0
	Total	0	22,661	34,615	0	31,176	0	0
Georgetown	Sngl.-fam.	0	40,750	37,200	0	39,556	0	0
	Multi-fam.	0	0	18,916	0	18,418	0	0
	Total	0	40,750	19,160	0	19,212	0	0
Sussex	Sngl.-fam.	41,675	38,056	39,616	35,819	38,825	43,374	43,374
County	Multi-fam.	0	23,846	25,395	35,000	35,000	37,000	37,000
Balance	Total	41,675	34,040	33,004	35,797	38,747	42,481	42,481
Sussex	Sngl.-fam.	41,675	38,056	39,616	38,364	39,446	43,212	43,212
County	Multi-fam.	0	23,846	25,395	37,500	25,079	28,631	28,631
Total	Total	41,675	34,040	33,004	38,328	35,729	37,997	37,997
State	Sngl.-fam.	35,218	33,535	26,779	36,627	32,270	39,890	39,890
Total	Multi-fam.	11,578	23,711	30,647	37,500	22,547	20,213	20,213
	Total	27,074	32,338	27,830	36,638	30,190	32,424	32,424

CHART 4

MOBILE HOME PRODUCTION

	1980					1981	
COUNTY	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	TOTAL	1st Qtr.	TOTAL
New Castle	54	17	24	27	122	22	22
Kent	78	94	127	61	360	68	68
Sussex	42	96	119	123	380	88	88
STATE TOTAL	174	207	270	211	862	178	178

CHART 5

REHABILITATION HOUSING

LOCATION	NUMBER OF UNITS AND COST ($000)							
	1981				1980			
	TOTAL		1st QTR.		TOTAL		1st QTR.	
	UNITS	COST	UNITS	COST	UNITS	COST	UNITS	COST
Wilmington	56	643	56	643	299	4,064	47	836
Newark	2	44	2	44	23	299	8	44
New Castle	0	0	0	0	0	0	0	0
Elsmere	4	19	4	19	17	76	5	21
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	27	349	27	349	154	1,615	30	339
New Castle County Total	89	1,055	89	1,055	487	5,985	90	1,241
Dover	4	24	4	24	22	228	2	31
Smyrna	1	7	1	7	3	41	0	0
Milford (K)	1	40	1	40	6	20	5	13
Harrington	0	0	0	0	1	7	0	0
Camden	0	0	0	0	0	0	0	0
Kent County Balance	26	279	26	279	52	577	7	77
Kent County Total	32	350	32	350	77	874	14	122
Bethany	0	0	0	0	11	122	0	0
Laurel	1	7	1	7	6	36	2	12
Lewes	3	31	3	31	10	101	3	25
Milford (S)	0	0	0	0	3	25	0	0
Rehoboth	8	815	8	815	39	208	37	179
Seaford	9	128	9	128	10	66	1	5
Milton	0	0	0	0	0	0	0	0
Millsboro	5	82	5	82	17	157	6	95
Georgetown	0	0	0	0	0	0	0	0
Sussex County Balance	41	626	41	626	114	1,427	31	522
Sussex County Total	67	1,689	67	1,689	210	2,145	80	839
STATE TOTAL	188	3,095	188	3,095	744	9,005	184	1,802

CHART 6

LOCATION	RESIDENTIAL DEMOLITIONS AND CERTIFICATES OF OCCUPANCY							
	NUMBER OF UNITS DEMOLISHED				NUMBER OF OCCUPANCY PERMITS			
	1981		1980		1981		1980	
	TOTAL	1st Qtr.	TOTAL	1st Qtr.	TOTAL	1st Qtr.	TOTAL	1st Qtr.
Wilmington	5	5	80	6	110	110	146	37
Newark	2	2	3	3	0	0	168	4
New Castle	0	0	0	0	0	0	4	4
Elsmere	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	11	11	45	8	440	440	510	419
New Castle County Total	18	18	125	17	550	550	824	460
Dover	0	0	0	0	0	0	16	16
Smyrna	0	0	1	1	1	1	2	2
Milford (K)	1	1	3	0	14	14	2	2
Harrington	0	0	4	0	1	1	1	1
Camden	0	0	0	0	0	0	0	0
Kent County Balance	23	23	46	12	36	36	N/A	N/A
Kent County Total	24	24	54	13	52	52	21	21
Bethany	0	0	7	0	13	13	54	21
Laurel	2	2	9	4	1	1	7	5
Lewes	1	1	2	0	16	16	2	2
Milford (S)	0	0	1	0	0	0	47	3
Rehoboth	1	1	1	0	1	1	21	1
Seaford	1	1	2	1	2	2	2	1
Milton	0	0	0	0	0	0	0	0
Millsboro	0	0	0	0	0	0	0	0
Georgetown	0	0	0	0	0	0	1	0
Sussex County Balance	0	0	0	0	217	217	422	122
Sussex County Total	5	5	22	5	251	251	559	155
STATE TOTAL	47	47	201	35	853	853	1,386	636

CHART 7

HEATING FUEL IN NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS WITH SPECIFIED FUEL															
	1st Quarter 1981				Total 1981				1st Quarter 1980				Total 1980			
	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other
Wilmington	0	0	7	0	0	0	7	0	0	2	34	0	3	4	70	0
Newark	0	0	1	0	0	0	1	0	0	0	0	0	0	0	18	0
New Castle	1	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	81	20	157	0	81	20	157	0	140	238	31	0	646	567	225	0
N.C. Co. Total	82	20	165	0	82	20	165	0	141	240	65	0	649	571	313	0
Dover	8	0	1	0	8	0	1	0	6	N/A	N/A	N/A	10	1	1	0
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	0	1	0	0	0	1	0	0	0	0	0	0	12	0	0
Harrington	0	0	1	0	0	0	1	0	0	0	0	0	0	0	3	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
K. Co. Balance	2	3	21	1	2	3	21	1	1	7	22	2	10	19	133	9
K. Co. Total	10	3	24	1	10	3	24	1	7	7	22	2	20	32	137	9
Bethany	0	8	48	0	0	8	48	0	0	0	0	0	0	0	18	0
Laurel	1	1	0	0	1	1	0	0	0	0	1	0	1	1	6	0
Lewes	0	0	49	0	0	0	49	0	0	0	0	0	0	0	2	0
Milford (S)	0	0	3	0	0	0	3	0	0	0	1	0	0	0	4	0
Rehoboth	0	1	19	0	0	1	19	0	0	0	0	0	0	0	17	1
Seaford	0	4	1	0	0	4	1	0	0	0	1	0	0	0	4	0
Milton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33	0
Millsboro	0	0	0	0	0	0	0	0	0	0	0	0	0	0	73	0
Georgetown	0	0	0	0	0	0	0	0	0	0	0	0	0	0	79	0
S. Co. Balance	0	5	149	3	0	5	149	3	3	3	126	3	12	19	372	21
S. Co. Total	1	18	269	3	1	18	269	3	3	3	129	3	13	19	608	22
STATE TOTAL	93	41	458	4	93	41	458	4	151	250	216	5	682	622	1,058	31

CHART 8

SQUARE FOOTAGE OF NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS BY SQUARE FOOT PER UNIT											
	1st Qtr. 1981			Total 1981			1st Qtr. 1980			Total 1980		
	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500
Wilmington	0	7	0	0	7	0	0	0	36	0	8	76
Newark	0	0	1	0	0	1	0	0	0	0	10	7
New Castle	0	1	0	0	1	0	0	1	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	125	63	70	125	63	70	4	268	137	350	607	589
N.C. Co. Total	125	71	71	125	71	71	4	269	173	350	625	608
Dover	0	9	0	0	9	0	0	4	7	0	10	9
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	1	0	0	1	0	0	0	0	11	0	1
Harrington	0	1	0	0	1	0	0	0	0	0	3	0
Camden	0	0	0	0	0	0	0	0	0	-	-	-
K. CO Balance	6	12	9	6	12	9	3	14	15	10	83	70
K. Co. Total	6	23	9	6	23	9	3	18	22	21	106	80
Bethany	21	30	5	21	30	5	0	0	0	0	18	0
Laurel	0	2	0	0	2	0	0	1	0	1	5	0
Lewes	8	40	1	8	40	1	0	0	0	0	0	2
Milford (S)	0	3	0	0	3	0	0	1	0	0	2	3
Rehoboth	0	12	8	0	12	8	0	0	0	0	10	7
Seaford	0	1	0	0	1	0	0	1	0	1	3	0
Milton	0	0	0	0	0	0	0	0	0	32	1	0
Millsboro	0	0	0	0	0	0	0	0	0	72	0	1
Georgetown	0	0	0	0	0	0	0	0	0	76	3	0
S. Co. Balance	26	102	29	26	102	29	2	78	55	32	256	179
S. Co. Total	55	190	43	55	190	43	2	81	55	214	299	192
STATE TOTAL	186	284	123	186	284	123	9	368	250	585	1,030	989

CHART 9 A

NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	1st QUARTER 1981								TOTAL 1981							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	0	0	7	0	0	0	0	0	0	0	7	0	0	0
Newark	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
New Castle	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	0	0	7	59	95	63	34	0	0	0	7	59	95	63	34	0
NEW CASTLE COUNTY TOTAL	0	0	7	59	104	63	34	0	0	0	7	59	104	63	34	0
Dover	0	0	0	0	9	0	0	0	0	0	0	0	9	0	0	0
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Harrington	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KENT COUNTY BALANCE	0	0	3	0	21	0	3	0	0	0	3	0	21	0	3	0
KENT COUNTY TOTAL	0	0	3	0	32	0	3	0	0	0	3	0	32	0	3	0
Bethany	0	0	4	17	24	2	9	0	0	0	4	17	24	2	9	0
Laurel	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Lewes	0	0	8	41	0	0	0	0	0	0	8	41	0	0	0	0
Milford (S)	0	0	0	0	3	0	0	0	0	0	0	0	3	0	0	0
Rehoboth	0	6	1	5	4	3	1	0	0	6	1	5	4	3	1	0
Seaford	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Milton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Millsboro	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgetown	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUSSEX COUNTY BALANCE	2	2	29	12	89	6	14	2	2	2	29	12	89	6	14	2
SUSSEX COUNTY TOTAL	2	8	42	75	122	11	24	2	2	8	42	75	122	11	24	2
STATE TOTAL	2	8	53	134	259	74	61	2	2	8	53	134	259	74	61	2

CHART 9-B

NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	1st QUARTER 1980								TOTAL 1980							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	8	0	28	0	0	0	0	0	8	0	38	0	41	0
Newark	0	0	0	0	0	0	0	0	0	0	0	0	8	0	1	0
New Castle	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	4	68	153	148	149	0	35	0	4	68	309	148	736	129	191	0
NEW CASTLE COUNTY TOTAL	4	68	161	148	178	0	35	0	4	68	317	148	782	129	233	0
Dover	N/A	0	N/A	0	6	0	N/A	0	0	0	2	0	10	0	0	0
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	0	0	0	0	0	0	0	0	0	0	7	1	0	0	0
Harrington	0	0	0	0	0	0	0	0	0	0	1	0	2	0	0	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KENT COUNTY BALANCE	0	0	6	0	21	0	5	0	2	0	17	0	128	0	25	0
KENT COUNTY TOTAL	0	0	6	0	27	0	5	0	2	4	20	7	141	0	25	0
Bethany	0	0	0	0	0	0	0	0	0	0	1	0	20	0	0	0
Laurel	0	0	0	0	1	0	0	0	0	0	0	0	8	0	0	0
Lewes	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0
Milford (S)	0	0	0	0	1	0	0	0	0	0	1	0	3	0	0	0
Rehoboth	0	0	0	0	0	0	0	0	0	0	1	0	4	0	3	0
Seaford	0	0	0	0	1	0	0	0	0	2	1	0	9	0	0	0
Milton	0	0	0	0	0	0	0	0	0	0	0	24	1	8	0	0
Millsboro	0	0	0	0	0	0	0	0	0	6	0	16	0	16	0	12
Georgetown	0	0	0	0	0	0	0	0	0	24	0	24	3	28	0	0
SUSSEX COUNTY BALANCE	3	0	24	0	104	0	4	0	6	0	95	0	337	0	26	0
SUSSEX COUNTY TOTAL	3	0	24	0	107	0	4	0	6	56	99	64	387	52	29	12
STATE TOTAL	7	68	191	148	312	0	44	0	12	128	436	219	1,310	181	287	12

QUARTERLY FEATURE

1981

A YEAR OF TRANSITION FOR THE REAL ESTATE INDUSTRY

By Richard E. Berl
President
Delaware Association
of Realtors

1981 - A YEAR OF TRANSITION FOR THE REAL ESTATE INDUSTRY

A changing world! That's what the real estate industry has been the last few years. When we look ahead to what might be in store for the residential real estate market in Delaware in 1981, we are looking ahead to even more change. Those who adapt to these changes will not only survive, they will be stronger for it. For there is one very basic difference between the 1974-1975 real estate recession and today: There are more brokers and associates attending classes and studying real estate than ever before. Your real estate agent of today, therefore, is considerably more astute than his predecessor. However, those who feel they can do business as they have for the past ten or twenty years, will be rudely awakened.

If anything good has come out of the relatively hard times the industry has been undergoing, it is this increased thirst for knowledge and professionalism. Many have answered the challenge and, using their new-found knowledge, are having banner years.

When looking down the road for the balance of 1981, we must first touch on what happened in Delaware during the year just passed. This is necessary to put 1981 in perspective because what you might have read in the local newspapers many times is national in scope and bears little resemblance to what happened here in Delaware.

For example! While the nation as a whole was experiencing on the average a 22% decline in unit sales from 1979, Delaware dropped about one half this amount at 11%. Likewise, while the country's sales volume was off 13% during the same period, Delaware was relatively stable at -2%. Indeed, there were pockets of increased activity, notably the second or vacation home market in our shore resorts. Much is also made of the average priced home in 1980 which rose from $64,200 to $72,800. These figures are used to show that we are pricing our young people out of the housing market. But once again figures are deceiving, for the average priced home in Delaware is under $55,000. The public would be very much surprised to discover just how many homes are available today for prices under $40,000. We will see later how this average price is certainly beneficial to the state.

There are many reasons why Delaware Realtors enjoyed a relatively successful year in 1980, not the least of which are the mortgage bond issues. No less than 4 issues were available in New Castle County, 2 in Kent County, and 3 in Sussex County. Two of these were State Issues carrying rates of 9 7/8% and 11 1/2% respectively. The balance were County Bonds with varying rates in each county, but many, many buyers availed themselves of these low interest mortgages, thus keeping Delaware insulated from the real world around them.

These very low rates are basically gone now leaving the housing industry to face the challenge of 1981 alone. How will we meet this challenge?

Much - perhaps too much - has been said about "Creative Financing", but for want of a better description, I suppose it will have to do. There is presently a plethora of financing methods, many of which might have been "creative" thirty years ago when they were first introduced. The conditional sales contract, as an example, was used regularly by the Veterans Administration when selling a home they had repossessed from a delinquent owner. Many, however, are truly innovative and will help to close some transactions that otherwise might have washed out.

It is becoming obvious that in the near future, the fixed rate mortgages will become extinct. Lending institutions no longer are willing to hold a fixed interest rate for long periods of time. These long term mortgages are certainly a contributing cause of the rapidly rising interest rates we have experienced. Should a lender be willing to issue a fixed rate mortgage, considerable service charges or "points" will be charged to increase the yield to more palatable levels.

This situation has given birth to the Adjustable Rate Mortgage, Variable Rate Mortgage, Renegotiable Rate Mortgage, or any other name you might wish to give it. This type of mortgage, while not yet received enthusiastically, will be more and more prevalent in the years to come. These mortgages use a 25 or 30 year amortization period for determining the initial payment which will hold for usually a period of 3 to 5 years. The interest rate will be adjusted, or renegotiated, up or down, at each interval. Variable rate mortgages certainly will play a larger part in 1981 since now the Savings & Loan Associations, banks and other lenders can see some sense of economic security 10 or 20 years in the future.

Similarly, the lenders are not anxious to have a low interest loan "assumed" by another party. In an effort to encourage the sale of property, however, several lending institutions are now offering refinanced loans somewhere in between the existing interest rate and that now charged by the particular lender - if they currently hold the mortgage. Frequently called "off-set" loans, these mortgages should have a positive effect on the resale of homes in the State.

When looking ahead, you cannot do so without mentioning the Federal National Mortgage Association or Fannie Mae. The many programs offered by Fanny Mae will be great tools to solve our housing woes in 1981. The standard Fanny Mae mortgage, a fixed rate mortgage up to 95% of value ($97,500 maximum), is one of the most popular of conventional mortgages. The underwriting guidelines are relatively liberal and rates competitive with a 1/4% premium for private mortgage insurance on all loans in excess of 80% of value. Fannie Mae also offers an "off-set" type of loan which is generally below market and can be as high as 95% of value.

I'm sure most people are familiar with "owner financing" whereby the owner of a property takes back a mortgage for the purchasers. Fannie Mae will be a great help here through its new "Vender" policy. As long as the loan is processed to their specifications, Fannie Mae will purchase the mortgage from the owner. In some cases discounts may be charged, but all in all, the program should be well received by the public.

Additionally, there is available a Fannie Mae Urban Revitalization Program. Under this program, Fannie Mae will guarantee permanent financing as long as approved lenders will commit themselves to a construction mortgage. There is no question about what this program will mean to those involved in renovating urban properties.

The FHA and VA are also doing their part to enable Delawareans to purchase their "dream" home. In addition to the standard FHA 203b and "0" down VA mortgages, the FHA 245 program has undergone one notable change that makes it more readily available this year. This Graduated Payment Mortgage (GPM) now carries a mortgage rate 1/2% higher than the standard rate at the time, but this small increase has reduced the "points" considerable. The emphasis on this financing is placed on an individual's future earnings. The monthly payment is initially lower than a standard FHA mortgage rising 7 1/2% a year for 5 years. It is of great value to the family on the "way up" whose income today would shut them out of the market.

I think it is obvious that there are financing plans now available for almost everyone. Even more are in the planning stages and could become a reality before the end of the year. New Castle County still has a bond program with loans available at 12.7% including FHA and VA and the State is presently studying the possibility of another state issue later this fall. Certain private financial institutions are currently looking at the feasibility of floating their own bonds (not tax exempt) backed by mortgages. A new wrap-around mortgage is also in the works which will permit a purchaser to assume an existing low interest mortgage by obtaining a second mortgage which is wrapped around the first. The buyer makes one payment which covers both mortgages and can finance 95% of 150% of the first mortgage. The first Shared Appreciation Mortgage (SAM) will no doubt be introduced here soon, whereby a lender becomes a co-owner in respect to the percentage of their investment and shared expenses. There is a question here, however, that this type of transaction would fall under the regulations of the Securities and Exchange Commission.

It is generally agreed that the real estate industry is entering a gradual upswing. It is anticipated that interest rates will drop slightly in the second half of this year and, with all the different financing plans available, an increase in employment, and fiscal restraints at all levels of government, the market will hopefully show a marked improvement. Demand for housing remains very strong and the residential investment market is extremely active.

Reports indicate that corporate transfers are also on the rise and it is evident that the State is actively pursuing new business and industry. As mentioned earlier, the importance of a reasonable average sales price becomes a major plus for Delaware and the real estate profession at this point. Housing takes top priority when the decision to transfer or accept a transfer must be made and the availability of suitable, well priced homes within our state will definitely influence the decision in a positive manner.

Finally, the level of savings in Delaware and throughout the nation is one of the lowest among major industrial nations. The National Association of Realtors is supporting legislation to exempt the first $1,000 ($2,000 on joint returns) of dividends or interest from Federal taxes. It is hoped that similar legislation will be passed in Delaware to piggyback the Federal returns. Another program gaining acceptance is one that permits an annual deposit of $2,500 to an individual savings or housing account up to a grand total of $10,000 without paying state income tax on $1,500 of the annual deposit (or any of the interest), as long as the money is used for a down payment on a first home. This program is now a reality in the State of Minnesota.

All these programs are designed to permit the average American to save more each year. By doing so, we not only help the saver, but increase the supply of funds available for credit. This in turn will result in reduced interest rates and thus permit more Delawareans to purchase their own home. Doing so will increase revenues in the form of taxes to the three counties and the state who granted the tax exemptions in the first place. We have, therefore, come full cycle with the net result that everyone is better off for it!

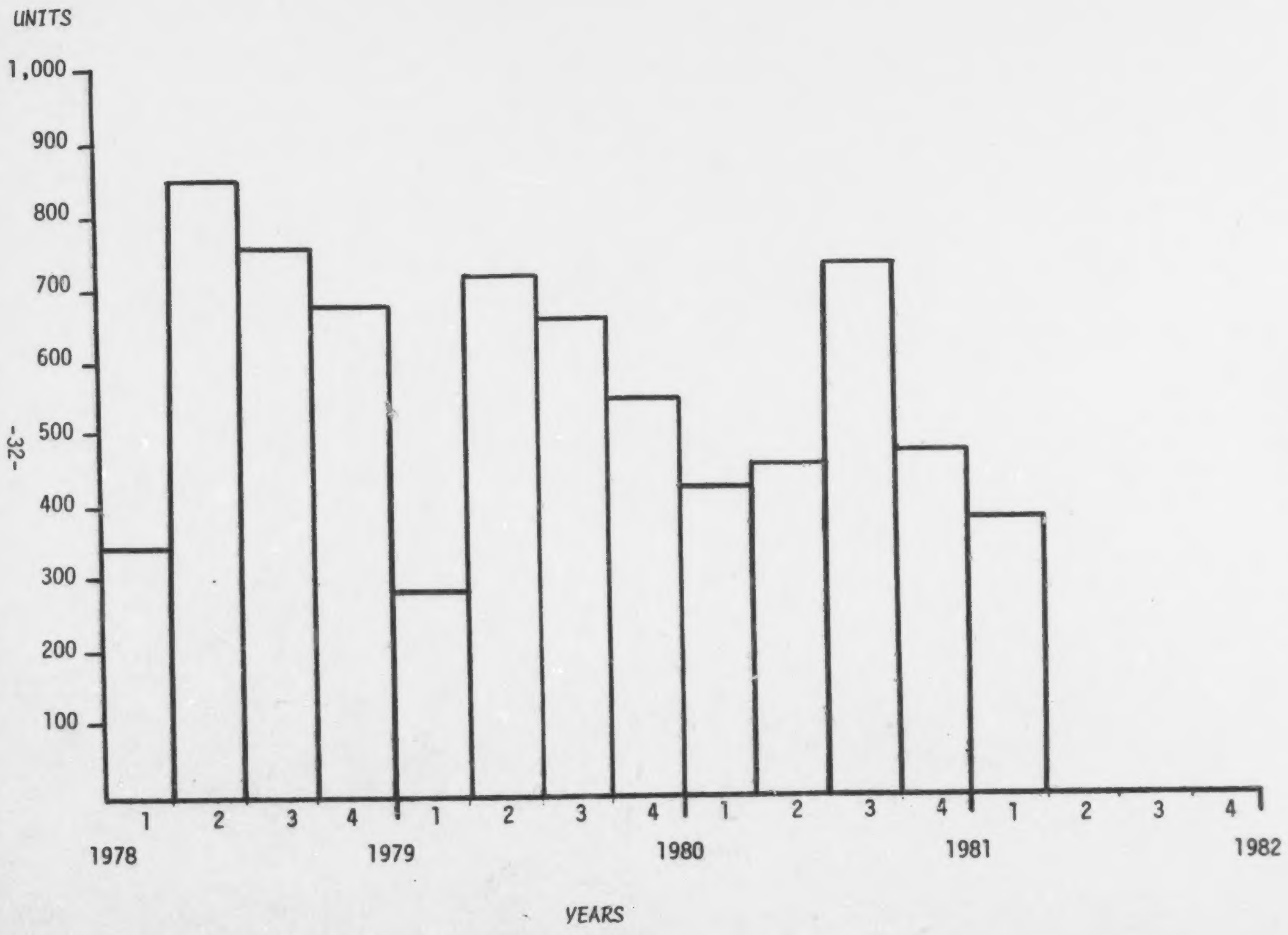
It is no secret that times have been hard for most real estate professionals, but the answers to our problems are at hand. We have had enough temporary solutions to long range problems, but with everyone working together, Delaware can once again proudly claim the title: "THE FIRST STATE!"

GRAPHS OF SINGLE FAMILY HOUSING PRODUCTION

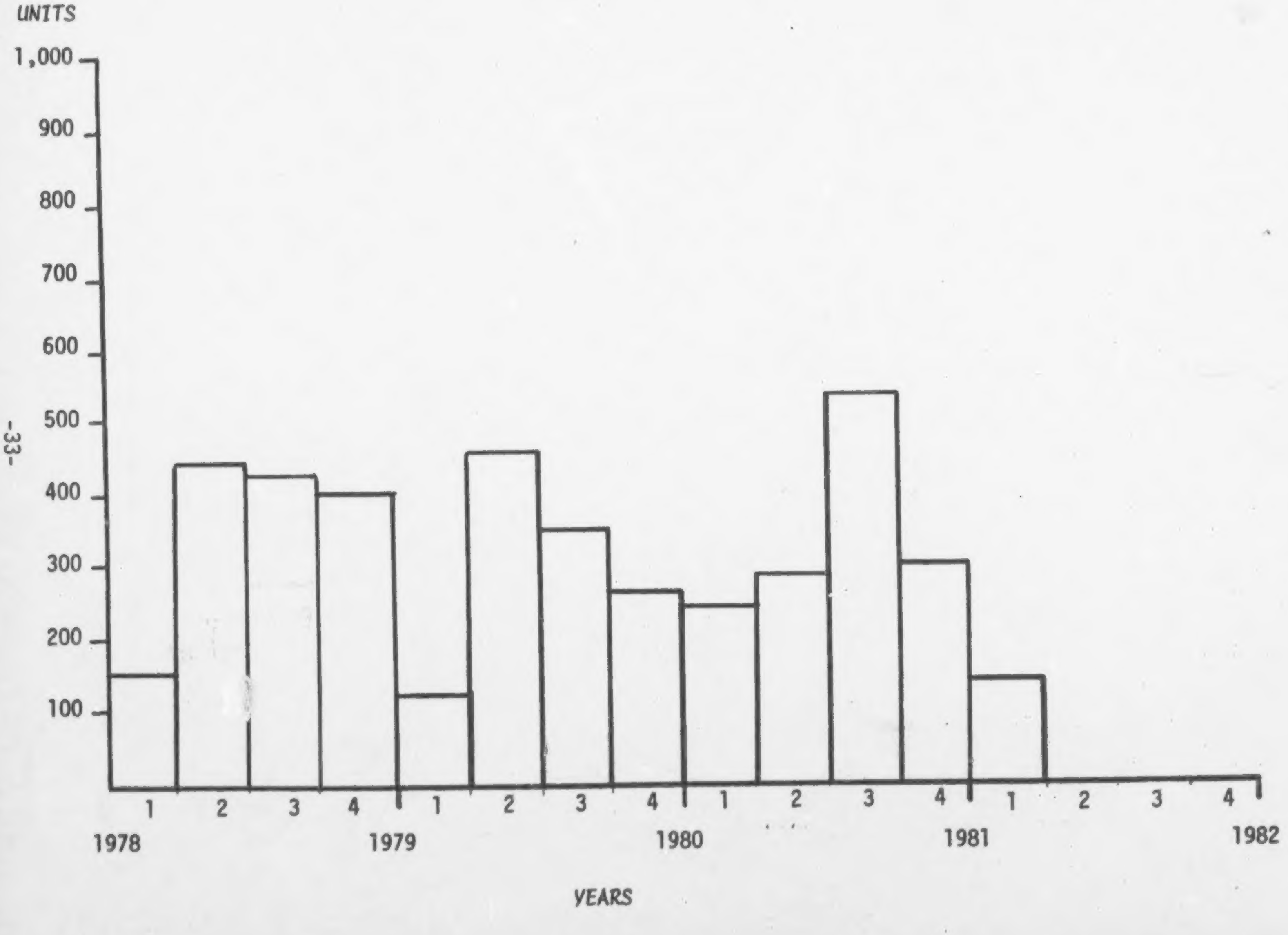
1978-1981

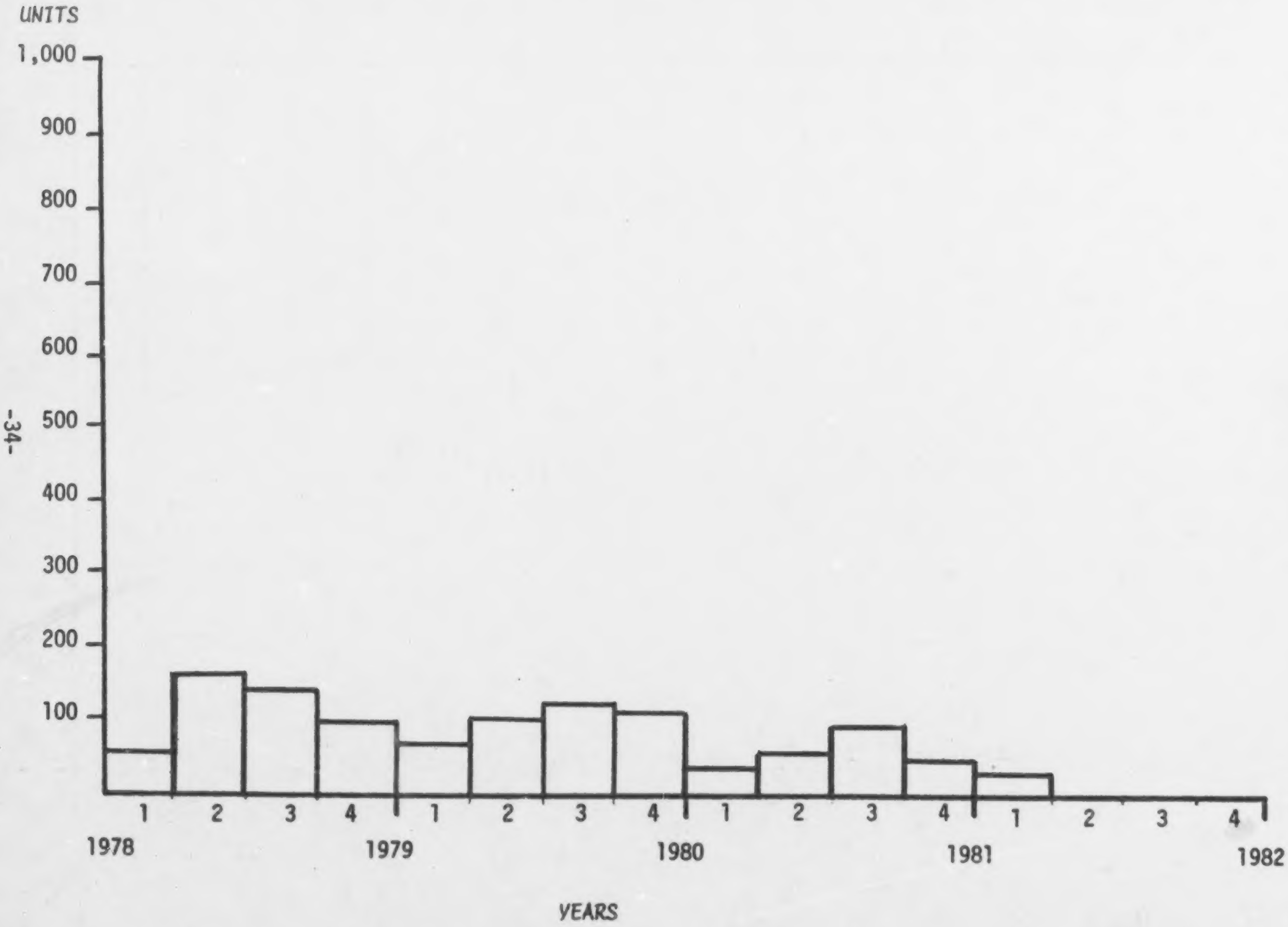
(BY QUARTER)

SINGLE FAMILY
HOUSING PRODUCTION
STATEWIDE
BY QUARTER



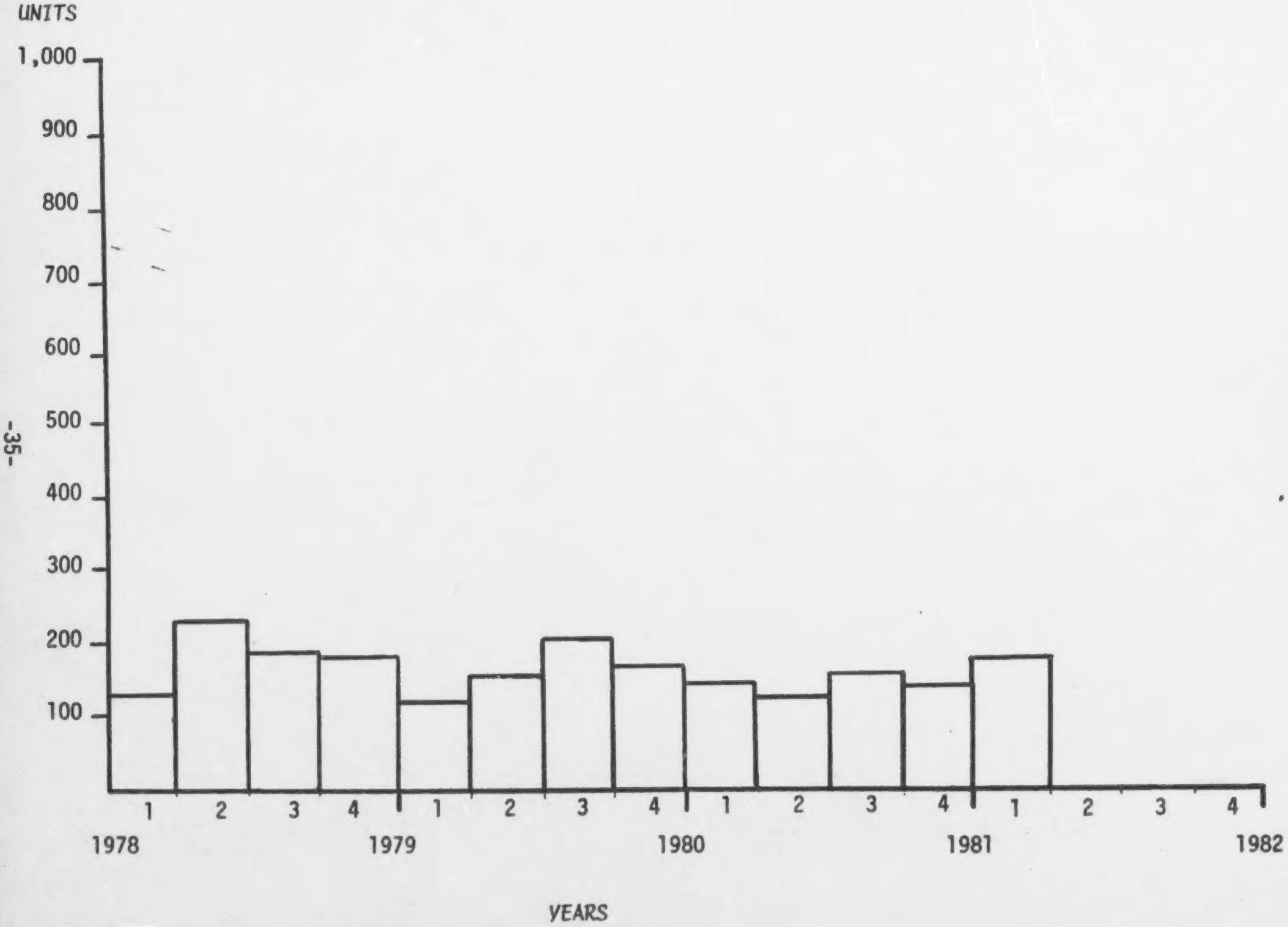
SINGLE FAMILY
HOUSING PRODUCTION
NEW CASTLE COUNTY
BY QUARTER





SINGLE FAMILY
HOUSING PRODUCTION
KENT COUNTY
BY QUARTER

SINGLE FAMILY
HOUSING PRODUCTION
SUSSEX COUNTY
BY QUARTER

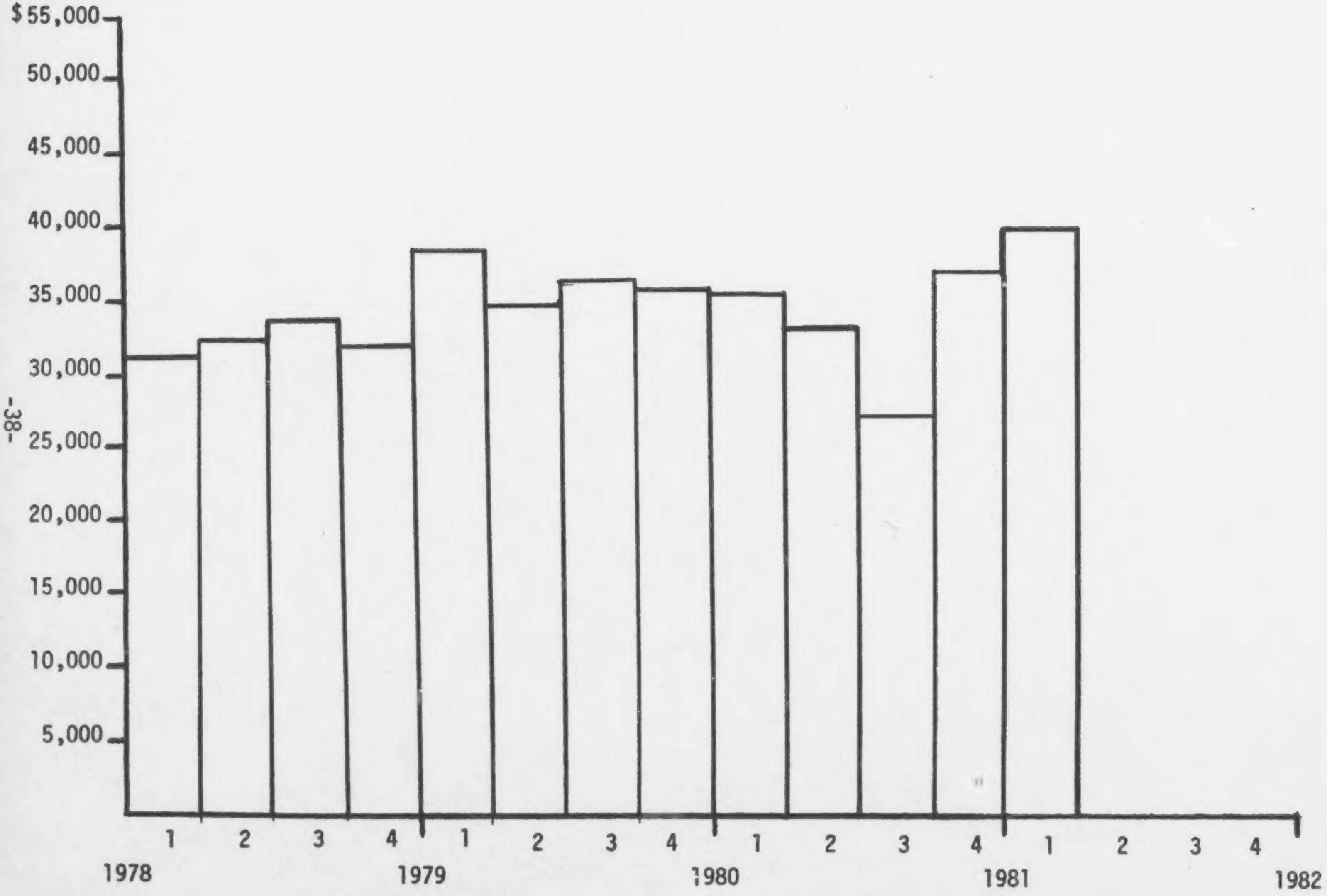


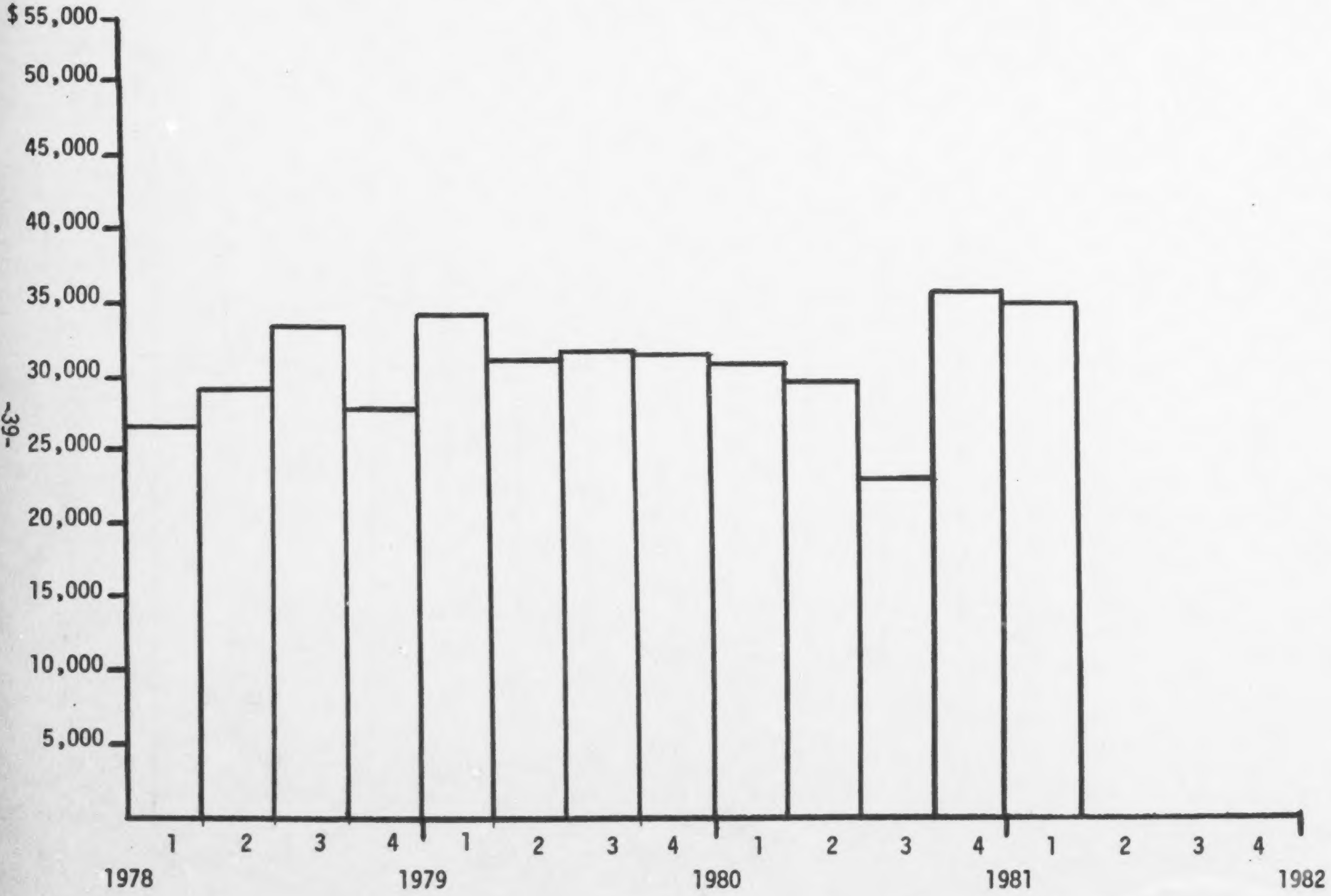
AVERAGE BUILDER'S COST
OF A SINGLE FAMILY HOME

1978-1981

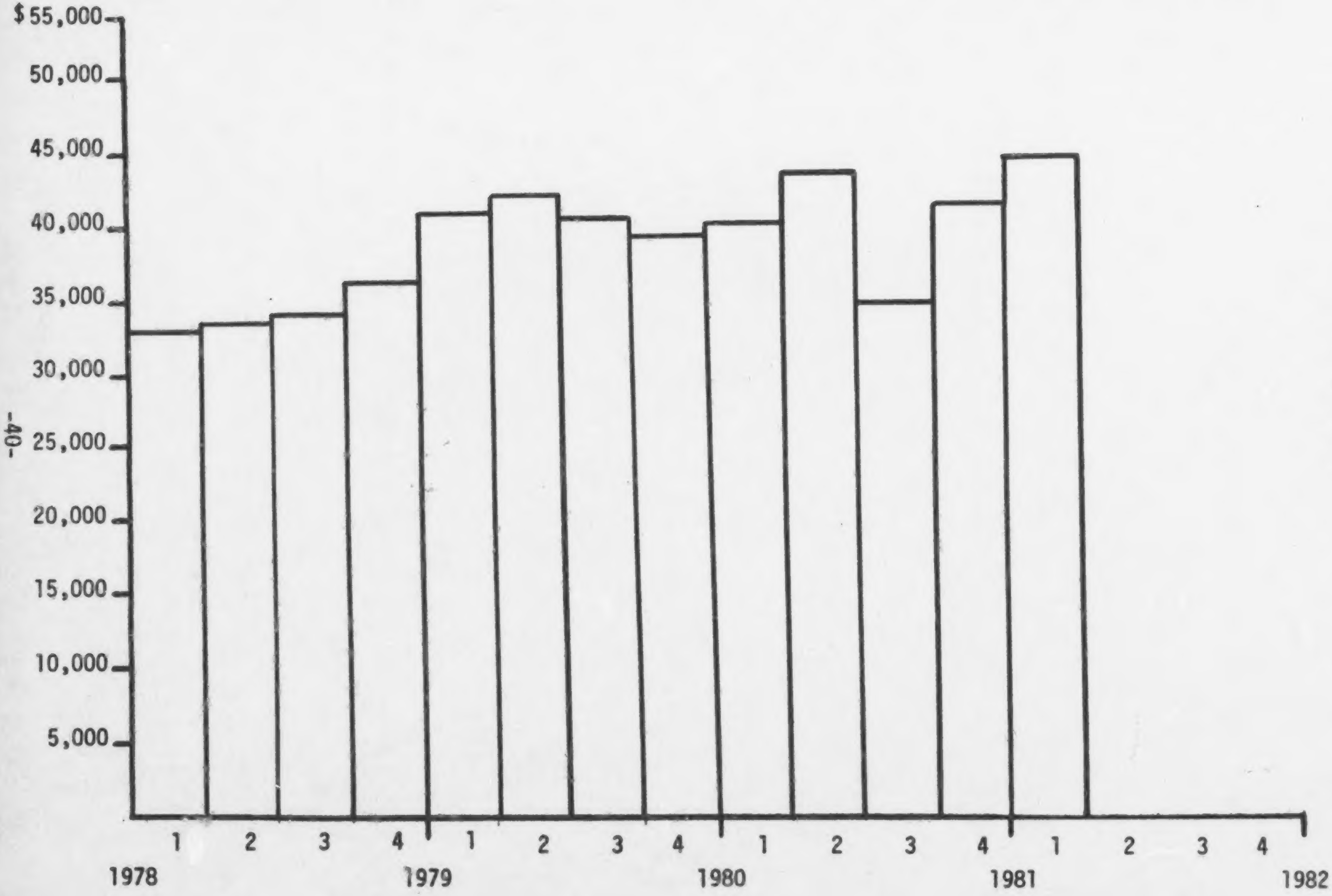
(BY QUARTER)

AVERAGE BUILDER'S COST FOR A SINGLE FAMILY HOME STATEWIDE BY QUARTER

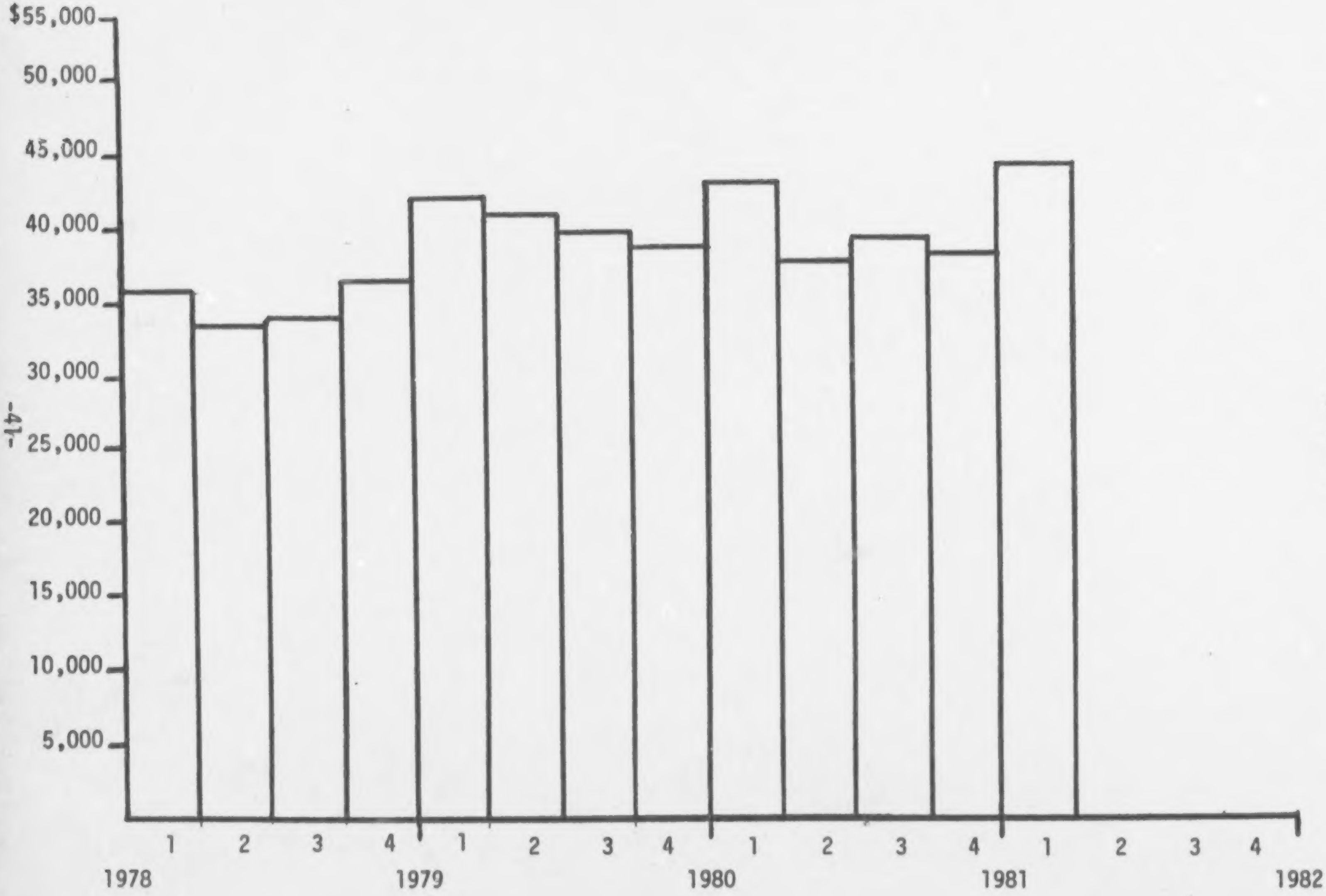




AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
NEW CASTLE COUNTY
BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
KENT COUNTY
BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
SUSSEX COUNTY
BY QUARTER

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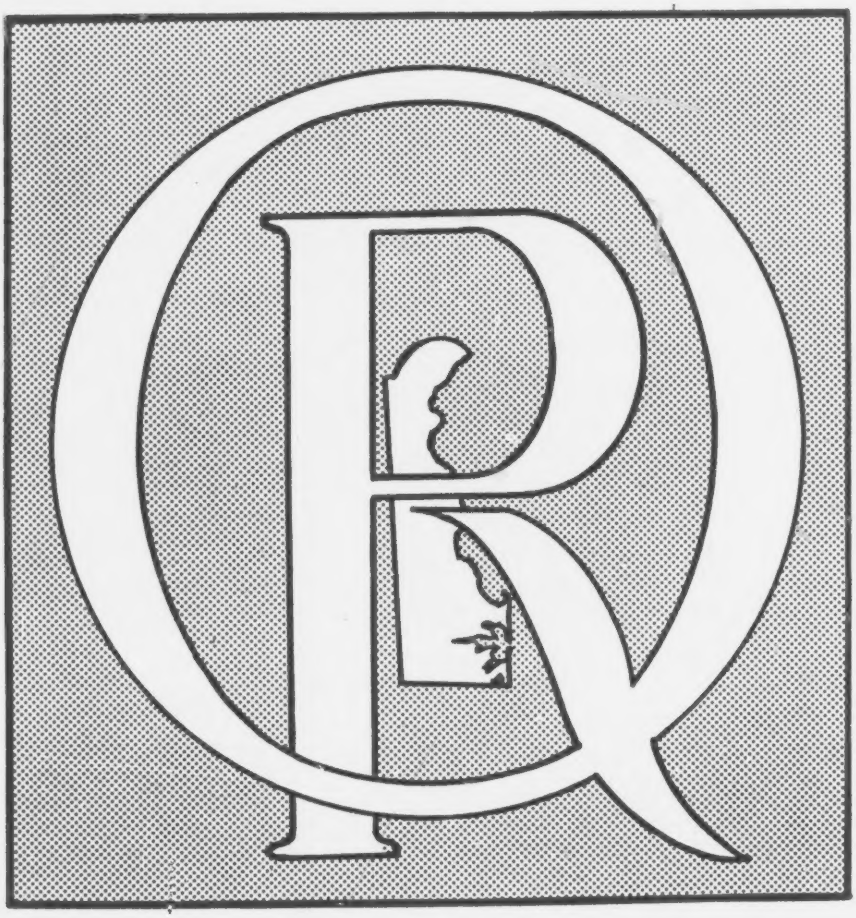
VOL. IX, NO. 3 SUMMER, 1981

QUARTERLY REVIEW

HOUSING PRODUCTION IN DELAWARE



Second Quarter, 1981

DEPARTMENT OF COMMUNITY AFFAIRS AND ECONOMIC DEVELOPMENT
DIVISION OF HOUSING
DELAWARE STATE HOUSING AUTHORITY

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The cooperation of local building permit offices in supplying data for this report is gratefully acknowledged.

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QUARTERLY REVIEW
OF
HOUSING PRODUCTION
IN
DELAWARE

SECOND QUARTER, 1981

BY

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Division of Housing
18 The Green
Dover, Delaware 19901

July, 1981

FOREWORD

Delaware's housing production increased in the second quarter of 1981 to 816 units from 771 units and was 92 units (13%) above the same period of last year. While it's encouraging to observe that statewide single family production jumped 30%, it is disappointing to note that multi-family housing decreased by 72% from last quarter.

Compared to last quarter, single family production in New Castle County increased 126 units (87%) but Kent County's single family production fell to 35 units, the lowest total ever recorded for the county. Interestingly, for the second consecutive quarter the average cost of a single family unit in Kent County has reached a new state high of $48,828. The single family average cost in Sussex County also reached a new high of $44,092. While interesting, not too much significance should be attached to these cost statistics because the volume of units is so very small.

Of particular interest in this issue of the Quarterly Review is a feature article by Richard L. Murchison, Vice President of the Wilmington Savings Fund Society and a member of the State Council of Housing. Mr. Murchison describes the various alternatives to the fading fixed rate mortgage and notes the importance of these new "creative financing" techniques to both the lender and buyer.

Robert S. Moyer

ROBERT S. MOYER
State Director of Housing

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INTRODUCTION

This report presents housing activity in Delaware for the second quarter of 1981. Included are data on the number of new housing units authorized by building permit, the number of mobile homes sold plus the total of residential demolitions. Construction costs, type of heating fuel, square footage and bedroom counts are also enumerated on a per unit basis. A feature article that points out some major reasons for climbing mortgage rates plus types of "creative financing" which prospective home buyers may wish to consider, also appears in this issue.

The information herein relates only to new housing units intended for occupancy on a housekeeping basis. Excluded are hotels, motels and other group residential structures. The figures are actual totals accumulated from authorized building permits recorded by various jurisdictions and compiled by the Delaware State Housing Authority.

Although the data relates to permit issuance rather than actual housing starts, permits are prompt, accurate indicators of construction activity. The United States Bureau of the Census states that approximately 98-99 percent of all authorized construction is eventually undertaken. So, for simplification, permit issuance will be expressed as "starts."

Building Permit Jurisdictions

New Castle and Kent County's building permit systems cover all unincorporated areas within their respective boundaries plus those areas without permit systems. Those towns and municipalities having permit laws are counted as separate entries within their counties. An exception is the town of Milford which straddles the borders of both Kent and Sussex

counties. Therefore, Milford's data is counted in the county containing the building activity.

Sussex County includes all municipalities in its building permit system, so it is necessary to adjust the total in order to avoid double-counting.

Definitions

Housing Unit - defined for the purposes of this report, a housing unit consists of a room or group of rooms intended for occupancy as separate, year-round living quarters by a family, group of unrelated people living together or a person living alone.

In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Migratory, seasonal and vacation housing have been omitted.

Chart 4 is based on the number of new mobile homes sold and titled for use in Delaware. Those homes labeled sectional, modular or "prefab" are counted as on-site construction.

Chart 5 presents enumeration of substantial rehabilitation as taken from building permits. Additions and alterations containing three of the following four elements constitute substantial rehabilitation: Electrical, heating, plumbing or structural work.

HOUSING PRODUCTION, SECOND QUARTER 1981

Synopsis:

Second quarter housing production totalled 816 units, up 45 units (6%) from the previous quarter's level of 771 and up 92 units (13%) from the 724 recorded one year before.

The production total for the second quarter consists of 478 single family units (58%), 63 multi-family units (8%) and 275 new mobile homes (34%).

New Castle County's single family production of 271 units increased 87% from the previous quarter's 145 and was nearly identical to the 274 units produced during the second quarter 1980. There was no multi-family activity during the second quarter 1981 while first quarter production totalled 122. There was no multi-family production in New Castle County one year ago. On-site construction for New Castle County increased 4 units from the first quarter total of 267.

Single family production in Kent County totalled 35, down 3 units (8%) from last quarter and 13 units (27%) from the 48 produced one year ago. This is the lowest production level yet recorded by the Division of Housing. There was no multi-family production this or last quarter. One year ago, 11 multi-family units were recorded. Kent County's on-site construction was down 3 units from last quarter's total of 38.

Sussex County's single family production of 172 units decreased 7% from the previous quarter's total of 185 but increased 40 units (30%) from the 132 units produced one year ago. The multi-family production of 63 decreased 40 units (39%) from the 103 produced last quarter. One year ago 52 multi-family units were recorded. On-site construction in Sussex County was 53 units less than last quarter's total of 288.

CONSTRUCTION COST

Reported from building permits; costs of land, architectural services and engineering are not included.

TOTAL COST

Statewide, on-site residential construction cost for the second quarter 1981 totalled $20,756,336. This is a 8% increase from the $19,227,551 total last quarter and a 24% increase over the $16,718,493 cost of one year ago. Single family cost was $18,666,836. Multi-family cost was $2,089,500. These figures show a 27% increase in single family cost and a 54% decrease in multi-family cost from last quarter.

Total on-site construction cost in New Castle County during the second quarter 1981 was $9,373,880. This is 42% higher than last quarter's total of $6,619.140 and 15% higher than total construction costs of $8,166,925 one year ago. Single family cost was $9,373,880. This is 87% above last quarter's cost and 15% above the single family cost of one year earlier. There was no multi-family production this quarter. Multi-family cost during the first quarter in New Castle County was $1,599,000.

Kent County's second quarter total construction cost of $1,708,984 was 3% higher than the previous quarter's total of $1,665,050 but was 25% below the $2,288,290 cost of one year ago. There was no multi-family activity this or last quarter. In the comparable quarter of last year, multi-family cost was $253,772.

On-site construction cost during the second quarter 1981 in Sussex County was $9,673,472, down 12% from last quarter's total of $10,943,361 and an increase of 54% over the $6,263,278 cost of one year ago. Single family cost was $7,583,972, down 5% from the $7,994,361 cost of last quarter and up 51% from the $5,023,278 cost of a year ago. Second quarter multi-family cost was $2,089,500 which is 29% lower than last quarter's total of $2,949,000 and 68% above last year's $1,240,000 second quarter total.

AVERAGE COST

The statewide average cost of construction during the second quarter 1981 was $38,366. This is an 18% increase from last quarter's average of $32,424 and $8,913 (19%) above the $32,338 average of one year ago. The second quarter average for a single family unit was $39,051, 2% below last quarter's average of $39,890 and 16% higher than the $33,535 average of a year ago. Statewide average cost for a multi-family unit was $33,166, 64% above the $20,213 average of last quarter and 40% above the second quarter 1980 average of $23,711.

Average cost for a single family unit in New Castle County for the second quarter was $34,589, down 1% from last quarter's average of $34,621 and 16% above last year's comparable quarter average of $29,806. There was no multi-family production this quarter while last quarter's average cost was $13,106. There was no multi-family activity during the second quarter of 1980. Average unit cost in New Castle County for the second quarter 1981 was $34,589.

The average single family cost in Kent County for the second quarter was $48,828, an increase of 11% from last quarter's figure of $43,817 and a rise of 15% from the $42,386 average of this time last year. This average is the highest recorded since the inception of the Quarterly Review in 1972. There was no multi-family production this or last quarter. One year ago the average cost for a multi-family unit was $23,070. The average unit cost in Kent County for the second quarter 1981 was $48,828.

ERRATA SHEET

Second Quarter 1981

After the second quarter, 1981 issue of the Quarterly Review was sent to the printers, an error concerning the dollar increase of this year's average cost of construction over last year's average was discovered. This error is located on page 4 in paragraph 4. The number $8,913 should be $6,028. The revised sentence should read: This is an 18% increase from last quarter's average of $32,424 and $6,028 (19%) above the $32,338 average of one year ago.

The second quarter 1981 average cost of a single family home in Sussex County was $44,092. This is a 2% increase from the previous quarter's average of $43,212 and a rise of 16% over the $38,056 average for this time last year. Average multi-family cost was $33,166. This is 16% above last quarter's average of $28,631 and 39% above the $23,846 average of one year ago. The average unit cost for the second quarter in Sussex County was $41,163.

MOBILE HOME ACTIVITY

Mobile home sales in Delaware for the second quarter 1981 totalled 275, 54% above the 178 recorded last quarter and 33% above the 207 sold one year ago.

New Castle County's 30 units was an increase of 36% from last quarter's total of 22 and was 13 units (76%) above the 17 sales recorded this time last year.

Kent County's total of 100 units was 32 (10%) above last quarter's total of 68 and 6 (6%) above the 94 mobile home sales of a year ago.

The second quarter total for Sussex County was 145. This is 57 units (65%) above last quarter's total of 88 and 49 units (51%) above the mobile homes sold one year ago.

FEDERAL ASSISTANCE

Federal assistance in the form of direct loans, subsidies, mortgage insurance or mortgage guarantees for single family homes in Delaware were extended to 39 units during the second quarter, 1981.

The Federal Housing Administration reported 31 newly insured units during the second quarter. Four (4) units were insured last quarter while 7 units were insured during the second quarter of last year.

The Farmers Home Administration extended loans for 2 new homes in the second quarter. There were 30 loans for new homes last quarter and 36 during the second quarter one year ago.

Six (6) guaranteed loans for new construction were reported by the Veteran's Administration in the second quarter, a decrease of 6 (50%) over last quarter's total of 12 and a 40% reduction from the 10 loans reported during the second quarter of 1980.

NATIONAL HOUSING STARTS

The U.S. Department of Commerce reported that national on-site housing starts were:

110,600	April
101.100	May
96,600	June
308,300	For the quarter

The above figures include single family and multi-family units. Single family starts were:

68,200	April
60,600	May
56,700	June
185,500	For the quarter

Multi-family starts were:

42,400	April
40,500	May
39,900	June
122,800	For the quarter

Compared to the second quarter totals of last year, national on-site construction was up 17%. Single family starts were up 15% and multi-family starts up 19%.

In comparison, Delaware's on-site housing starts were 5% above last year's total. Single family starts were up by 5% while the 63 second quarter multi-family units were identical to those produced during the second quarter of last year.

Charts 1 to 9B provide detailed information on the number of new housing units authorized for construction in Delaware. The data pertains to residential construction activity in 22 permit-issuing jurisdictions which account for all land area in Delaware. In addition, graphs of single family housing units authorized by month and average construction costs of single family homes are presented following this quarter's feature article.

HOUSING PRODUCTION DATA

SECOND QUARTER, 1981

CHARTS 1-9B

CHART 1-A: ON-SITE PERMITS ISSUED

NEW CASTLE COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Wilmington	Sngl.-fam.	9	13	22	80	7	15	22
	Multi-fam.	0	0	0	0	0	0	0
	Total	9	13	22	80	7	15	22
Newark	Sngl.-fam.	3	3	12	18	1	2	3
	Multi-fam.	0	0	0	0	0	0	0
	Total	3	3	12	18	1	2	3
New Castle	Sngl.-fam.	2	0	0	3	1	1	2
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	0	0	3	1	1	2
Elsmere	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
N.C. Co. Balance	Sngl.-fam.	260	523	251	1,227	136	253	389
	Multi-fam.	0	152	0	368	122	0	122
	Total	260	675	251	1,595	258	253	511
N.C. Co. Total	Sngl.-fam.	274	539	285	1,328	145	271	416
	Multi-fam.	0	152	0	368	122	0	122
	Total	274	691	285	1,696	267	271	538

CHART 1-B: ON-SITE PERMITS ISSUED

KENT COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Dover	Sngl.-fam.	2	2	5	20	9	4	13
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	2	5	20	9	4	13
Smyrna	Sngl.-fam.	0	0	0	0	0	1	1
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	1	1
Milford	Sngl.-fam.	0	1	0	1	1	1	2
	Multi-fam.	11	0	0	11	0	0	0
	Total	11	1	0	12	1	1	2
Harrington	Sngl.-fam.	2	1	0	3	1	0	1
	Multi-fam.	0	0	0	0	0	0	0
	Total	2	1	0	3	1	0	1
Camden	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Kent County Balance	Sngl.-fam.	44	58	40	174	27	29	56
	Multi-fam.	0	0	0	0	0	0	0
	Total	44	58	40	174	27	29	56
Kent County Total	Sngl.-fam.	48	62	45	198	38	35	73
	Multi-fam.	11	0	0	11	0	0	0
	Total	59	62	45	209	38	35	73

CHART 1-C: ON-SITE PERMITS ISSUED

SUSSEX COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Bethany	Sngl.-fam.	6	2	13	21	37	19	56
	Multi-fam.	0	0	3	3	19	16	35
	Total	6	2	16	24	56	35	91
Laurel	Sngl.-fam.	4	0	3	8	2	2	4
	Multi-fam.	0	0	0	0	0	0	0
	Total	4	0	3	8	2	2	4
Lewes	Sngl.-fam.	1	0	1	2	1	2	3
	Multi-fam.	0	0	0	0	48	4	52
	Total	1	0	1	2	49	6	55
Milford	Sngl.-fam.	1	0	1	3	3	3	6
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	0	1	3	3	3	6
Rehoboth	Sngl.-fam.	6	3	8	17	6	4	10
	Multi-fam.	0	0	0	0	14	0	14
	Total	6	3	8	17	20	4	24
Seaford	Sngl.-fam.	1	1	1	4	1	3	4
	Multi-fam.	0	0	0	0	0	0	0
	Total	1	1	1	4	1	3	4
Milton	Sngl.-fam.	0	1	1	2	0	0	0
	Multi-fam.	32	0	0	32	0	0	0
	Total	32	1	1	34	0	0	0
Millsboro	Sngl.-fam.	1	0	0	1	0	1	1
	Multi-fam.	20	52	0	72	0	0	0
	Total	21	52	0	73	0	1	1
Georgetown	Sngl.-fam.	2	1	0	3	0	0	0
	Multi-fam.	0	76	0	76	0	0	0
	Total	2	77	0	79	0	0	0
Sussex County Balance	Sngl.-fam.	110	135	109	489	135	138	273
	Multi-fam.	0	0	3	3	22	43	65
	Total	110	135	112	492	157	181	338
Sussex County Total	Sngl.-fam.	132	143	137	550	185	172	357
	Multi-fam.	52	128	6	186	103	63	166
	Total	184	271	143	736	288	235	523
State Total	Sngl.-fam.	454	744	467	2,076	368	478	846
	Multi-fam.	63	280	6	565	225	63	288
	Total	517	1,024	473	2,641	593	541	1,134

CHART 2-A: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Wilmington	Sngl.-fam.	540,000	784,000	1,130,000	4,095,228	280,000	695,000	975,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	540,000	784,000	1,130,000	4,095,228	280,000	695,000	975,000
Newark	Sngl.-fam.	87,000	80,500	304,255	471,755	29,000	98,900	127,900
	Multi-fam.	0	0	0	0	0	0	0
	Total	87,000	80,500	304,255	471,755	29,000	98,900	127,900
New Castle	Sngl.-fam.	56,000	0	0	92,600	25,000	45,000	70,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	56,000	0	0	92,600	25,000	45,000	70,000
Elsmere	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
N.C. Co. Balance	Sngl.-fam.	7,483,925	11,463,239	8,550,074	32,835,024	4,686,140	8,534,980	13,221,120
	Multi-fam.	0	5,320,000	0	7,820,776	1,599,000	0	1,599,000
	Total	7,483,925	16,783,239	8,550,074	40,655,800	6,285,140	8,534,980	14,820,120
N.C. Co. Total	Sngl.-fam.	8,166,925	12,327,739	9,984,329	37,494,607	5,020,140	9,373,880	14,394,020
	Multi-fam.	0	5,320,000	0	7,820,776	1,599,000	0	1,599,000
	Total	8,166,925	17,647,739	9,984,329	45,315,383	6,619,140	9,373,880	15,993,020

CHART 2-B: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
KENT COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Dover	Sngl.-fam.	99,000	34,000	187,000	641,000	368,000	236,000	604,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	99,000	34,000	187,000	641,000	368,000	236,000	604,000
Smyrna	Sngl.-fam.	0	0	0	0	0	45,000	45,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	45,000	45,000
Milford	Sngl.-fam.	0	60,000	0	60,000	45,000	31,000	76,000
	Multi-fam.	253,772	0	0	253,772	0	0	0
	Total	253,772	60,000	0	313,772	45,000	31,000	76,000
Harrington	Sngl.-fam.	73,135	26,950	0	100,085	28,000	0	28,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	73,135	26,950	0	100,085	28,000	0	28,000
Camden	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Kent County Balance	Sngl.-fam.	1,862,383	2,036,176	1,677,764	6,963,223	1,224,050	1,396,984	2,621,034
	Multi-fam.	0	0	0	0	0	0	0
	Total	1,862,383	2,036,176	1,677,764	6,963,223	1,224,050	1,396,984	2,621,034
Kent County Total	Sngl.-fam.	2,034,518	2,157,126	1,864,764	7,764,308	1,665,050	1,708,984	3,374,034
	Multi-fam.	253,772	0	0	253,772	0	0	0
	Total	2,288,290	2,157,126	1,864,764	8,018,080	1,665,050	1,708,984	3,374,034

CHART 2-C: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)

SUSSEX COUNTY

Location	Structure	1980				1981		
		2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Bethany	Sngl.-fam.	253,600	109,000	570,300	932,900	1,541,390	746,928	2,288,318
	Multi-fam.	0	0	120,000	120,000	730,000	400,000	1,130,000
	Total	253,600	109,000	690,300	1,052,900	2,271,390	1,146,928	3,418,318
Laurel	Sngl.-fam.	121,250	0	90,290	241,340	65,500	67,000	132,500
	Multi-fam.	0	0	0	0	0	0	0
	Total	121,250	0	90,290	241,340	65,500	67,000	132,500
Lewes	Sngl.-fam.	50,000	0	56,000	106,000	38,000	96,000	134,000
	Multi-fam.	0	0	0	0	1,075,000	50,000	1,075,000
	Total	50,000	0	56,000	106,000	1,113,000	146,000	1,259,000
Milford	Sngl.-fam.	34,500	139,500	69,000	272,500	104,800	85,000	189,800
	Multi-fam.	0	0	0	0	0	0	0
	Total	34,500	139,500	69,000	272,500	104,800	85,000	189,800
Rehoboth	Sngl.-fam.	255,370	129,300	491,985	876,655	357,050	252,316	609,366
	Multi-fam.	0	0	0	0	330,000	0	330,000
	Total	255,370	129,300	491,985	876,655	687,050	252,316	939,366
Seaford	Sngl.-fam.	35,705	67,685	30,000	160,890	32,000	91,600	123,600
	Multi-fam.	0	0	0	0	0	0	0
	Total	35,705	67,685	30,000	160,890	32,000	91,600	123,600
Milton	Sngl.-fam.	0	0	44,000	44,000	0	0	0
	Multi-fam.	800,000	0	0	800,000	0	0	0
	Total	800,000	0	44,000	844,000	0	0	0
Millsboro	Sngl.-fam.	35,891	0	0	35,891	0	80,000	80,000
	Multi-fam.	440,000	1,800,000	0	2,240,000	0	0	0
	Total	475,891	1,800,000	0	2,275,891	0	80,000	80,000
Georgetown	Sngl.-fam.	81,500	37,200	0	118,700	0	0	0
	Multi-fam.	0	1,399,800	0	1,399,800	0	0	0
	Total	81,500	1,437,000	0	1,517,800	0	0	0
Sussex County Balance	Sngl.-fam.	4,155,462	5,261,608	3,904,329	18,985,801	5,855,621	6,165,128	12,020,749
	Multi-fam.	0	0	105,000	105,000	814,000	1,639,500	2,453,500
	Total	4,155,462	5,261,608	4,009,329	19,063,801	6,669,621	7,804,628	14,474,249
Sussex County Total	Sngl.-fam.	5,023,278	5,744,293	5,255,904	21,774,677	7,994,361	7,583,972	15,578,333
	Multi-fam.	1,240,000	3,199,800	225,000	4,664,800	2,949,000	2,089,500	5,038,500
	Total	6,263,278	8,944,093	5,480,904	26,439,477	10,943,361	9,673,472	20,616,833
State Total	Sngl.-fam.	15,224,721	19,950,158	17,104,997	67,025,098	14,679,551	18,666,836	33,346,387
	Multi-fam.	1,493,772	8,519,800	225,000	12,739,348	4,548,000	2,089,500	6,637,500
	Total	16,718,493	28,469,958	17,330,037	79,764,486	19,227,551	20,756,336	39,983,887

CHART 3-A: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
NEW CASTLE COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Wilmington	Sngl.-fam.	60,000	60,308	51,363	51,190	40,000	46,333	44,318
	Multi-fam.	0	0	0	0	0	0	0
	Total	60,000	60,308	51,363	51,190	40,000	46,333	44,318
Newark	Sngl.-fam.	29,000	26,833	25,354	26,208	29,000	49,450	42,633
	Multi-fam.	0	0	0	0	0	0	0
	Total	29,000	26,833	25,354	26,208	29,000	49,450	42,633
New Castle	Sngl.-fam.	28,000	0	0	30,866	25,000	45,000	35,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	28,000	0	0	30,866	25,000	45,000	35,000
Elsmere	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Belle-Fonte	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
N.C. Co. Balance	Sngl.-fam.	28,784	21,918	34,064	26,760	34,456	33,735	33,987
	Multi-fam.	0	35,000	0	21,252	13,106	0	13,106
	Total	28,784	24,864	34,064	25,489	24,361	33,735	29,002
N.C. Co. Total	Sngl.-fam.	29,806	22,872	35,032	28,233	34,621	34,589	34,601
	Multi-fam.	0	35,000	0	21,252	13,106	0	13,106
	Total	29,806	25,539	35,032	26,718	24,790	34,589	29,726

CHART 3-B: AVERAGE COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)
KENT COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Dover	Sngl.-fam.	49,500	17,000	37,400	32,050	40,888	59,000	46,461
	Multi-fam.	0	0	0	0	0	0	0
	Total	49,500	17,000	37,400	32,050	40,888	59,000	46,461
Smyrna	Sngl.-fam.	0	0	0	0	0	45,000	45,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	45,000	45,000
Milford	Sngl.-fam.	0	60,000	0	60,000	45,000	31,000	38,000
	Multi-fam.	23,070	0	0	23,070	0	0	0
	Total	23,070	60,000	0	26,147	45,000	31,000	38,000
Harrington	Sngl.-fam.	36,568	26,950	0	33,361	28,000	0	28,000
	Multi-fam.	0	0	0	0	0	0	0
	Total	36,568	26,950	0	33,361	28,000	0	28,000
Camden	Sngl.-fam.	0	0	0	0	0	0	0
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0
Kent County Balance	Sngl.-fam.	42,327	35,106	41,944	40,018	45,335	48,171	46,804
	Multi-fam.	0	0	0	0	0	0	0
	Total	42,327	35,106	41,944	40,018	45,335	48,171	46,804
Kent County Total	Sngl.-fam.	42,386	34,792	41,439	39,213	43,817	48,828	46,219
	Multi-fam.	23,070	0	0	23,070	0	0	0
	Total	38,785	34,792	41,439	38,364	43,817	48,828	46,219

CHART 3-C: AVERAGE COST ON-SITE CONSTRUCTION

(REPORTED FROM PERMITS)

SUSSEX COUNTY

		1980				1981		
Location	Structure	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	Total
Bethany	Sngl.-fam.	42,267	54,500	43,869	44,423	41,659	39,312	40,862
	Multi-fam.	0	0	40,000	40,000	38,421	25,000	32,285
	Total	30,313	54,500	43,125	43,870	40,560	32,769	37,563
Laurel	Sngl.-fam.	0	0	30,096	30,167	32,750	33,500	33,125
	Multi-fam.	0	0	0	0	0	0	0
	Total	0	0	30,096	30,167	32,750	33,500	33,125
Lewes	Sngl.-fam.	50,000	0	56,000	53,000	38,000	48,000	44,666
	Multi-fam.	0	0	0	0	22,395	12,500	20,673
	Total	50,000	0	56,000	53,000	22,714	24,333	22,890
Milford	Sngl.-fam.	34,500	69,750	69,000	136,250	34,933	28,333	31,633
	Multi-fam.	0	0	0	0	0	0	0
	Total	34,500	69,750	69,000	136,250	34,933	28,333	31,633
Rehoboth	Sngl.-fam.	42,562	43,100	61,498	73,054	59,508	63,079	60,936
	Multi-fam.	0	0	0	0	23,571	0	23,571
	Total	42,562	43,100	61,498	73,054	34,352	63,079	39,140
Seaford	Sngl.-fam.	35,705	67,685	30,000	40,222	32,000	30,533	30,900
	Multi-fam.	0	0	0	0	0	0	0
	Total	35,705	67,685	30,000	40,222	32,000	30,533	30,900
Milton	Sngl.-fam.	0	0	44,000	22,000	0	0	0
	Multi-fam.	25,000	0	0	25,000	0	0	0
	Total	25,000	0	44,000	24,823	0	0	0
Millsboro	Sngl.-fam.	35,891	0	0	35,891	0	80,000	80,000
	Multi-fam.	22,000	34,615	0	31,111	0	0	0
	Total	22,661	34,615	0	31,176	0	80,000	80,000
Georgetown	Sngl.-fam.	40,750	37,200	0	39,556	0	0	0
	Multi-fam.	0	18,916	0	18,418	0	0	0
	Total	40,750	19,160	0	19,212	0	0	0
Sussex County Balance	Sngl.-fam.	38,056	39,616	35,819	38,825	43,374	44,674	44,032
	Multi-fam.	23,846	25,395	35,000	35,000	37,000	38,127	37,746
	Total	34,040	33,004	35,797	38,747	42,481	43,119	42,823
Sussex County Total	Sngl.-fam.	38,056	39,616	38,364	39,446	43,212	44,092	43,636
	Multi-fam.	23,846	25,395	37,500	25,079	28,631	33,166	30,352
	Total	34,040	33,004	38,328	35,729	37,997	41,163	39,420
State Total	Sngl.-fam.	33,535	26,779	36,627	32,270	39,890	39,051	39,416
	Multi-fam.	23,711	30,647	37,500	22,547	20,213	33,166	23,046
	Total	32,338	27,830	36,638	30,190	32,424	38,366	35,259

CHART 4

MOBILE HOME PRODUCTION

		1980				1981	
COUNTY	2nd QTR	3rd QTR	4th QTR	TOTAL	1st QTR	2nd QTR	TOTAL
New Castle	17	24	27	122	22	30	52
Kent	94	127	61	360	68	100	168
Sussex	96	119	123	380	88	145	233
STATE TOTAL	207	270	211	862	178	275	453

CHART 5

REHABILITATION HOUSING

LOCATION	NUMBER OF UNITS AND COST ($000)							
	1981				1980			
	TOTAL		2nd QTR		TOTAL		2nd QTR	
	UNITS	COST	UNITS	COST	UNITS	COST	UNITS	COST
Wilmington	152	2,810	96	2,167	299	4,064	102	930
Newark	5	98	3	54	23	299	4	33
New Castle	0	0	0	0	0	0	0	0
Elsmere	6	29	2	10	17	76	0	0
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	109	1,308	82	959	154	1,615	51	404
New Castle County Total	272	4,248	183	3,193	493	6,054	157	1,367
Dover	16	112	12	88	22	228	10	42
Smyrna	1	7	0	0	3	41	1	5
Milford (K)	2	50	1	10	6	20	1	6
Harrington	0	0	0	0	1	7	1	7
Camden	0	0	0	0	0	0	0	0
Kent County Balance	61	630	35	351	52	577	12	113
Kent County Total	80	799	48	449	84	873	25	173
Bethany	0	0	0	0	11	122	5	37
Laurel	1	7	0	0	6	36	2	10
Lewes	4	36	1	5	10	101	1	7
Milford (S)	1	8	1	8	3	25	0	0
Rehoboth	8	815	0	0	39	208	2	29
Seaford	12	140	3	12	10	66	4	34
Milton	2	16	2	16	0	0	0	0
Millsboro	14	151	9	69	17	157	0	0
Georgetown	0	0	0	0	0	0	0	0
Sussex County Balance	103	1,189	62	563	114	1,427	38	326
Sussex County Total	148	2,364	78	675	210	2,145	52	445
STATE TOTAL	497	7,414	309	4,319	787	9,073	234	1,985

CHART 6

LOCATION	RESIDENTIAL DEMOLITIONS AND CERTIFICATES OF OCCUPANCY							
	NUMBER OF UNITS DEMOLISHED				NUMBER OF OCCUPANCY PERMITS			
	1981		1980		1981		1980	
	TOTAL	2nd QTR	TOTAL	2nd QTR	TOTAL	2nd QTR	TOTAL	2nd QTR
Wilmington	10	5	80	55	269	159	146	45
Newark	3	1	3	0	6	6	168	3
New Castle	1	1	0	0	0	0	4	0
Elsmere	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0
New Castle County Balance	24	13	45	10	725	285	510	448
New Castle County Total	38	20	128	65	1,000	450	828	496
Dover	0	0	0	0	0	0	16	28
Smyrna	0	0	1	0	1	0	2	0
Milford (K)	1	0	3	3	14	0	2	1
Harrington	0	0	4	3	1	0	1	0
Camden	0	0	0	0	0	0	0	0
Kent County Balance	38	15	46	13	55	19	--	--
Kent County Total	39	15	54	19	71	19	21	29
Bethany	0	0	7	2	41	28	54	24
Laurel	4	2	9	2	3	2	7	0
Lewes	1	0	2	2	18	2	3	2
Milford (S)	1	1	1	0	3	3	47	42
Rehoboth	1	0	1	1	11	10	21	11
Seaford	1	0	2	0	3	1	2	0
Milton	0	0	0	0	0	0	0	0
Millsboro	0	0	0	2	0	0	0	0
Georgetown	0	0	0	0	0	0	1	0
Sussex County Balance	0	0	0	0	467	250	422	94
Sussex County Total	8	3	22	9	655	404	557	173
STATE TOTAL	85	38	204	93	1,726	873	1,406	698

CHART 7

HEATING FUEL IN NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS WITH SPECIFIED FUEL															
	2nd Quarter 1981				Total 1981				2nd Quarter 1980				Total 1980			
	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other
Wilmington	9	2	4	0	9	2	11	0	0	0	9	0	3	4	70	0
Newark	0	1	1	0	0	1	2	0	0	0	3	0	0	0	18	0
New Castle	1	0	0	0	2	0	0	0	2	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	80	64	109	0	161	84	266	0	194	20	46	0	646	567	225	0
N.C. Co. Total	90	67	114	0	172	87	279	0	196	20	58	0	649	571	313	0
Dover	0	2	2	0	8	2	3	0	-	-	-	-	10	1	1	0
Smyrna	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	0	1	0	0	0	2	0	0	0	11	0	0	12	0	0
Harrington	0	0	0	0	0	0	1	0	0	0	2	0	0	0	3	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
K. Co. Balance	2	1	24	2	4	4	45	3	4	5	32	2	10	19	133	9
K. Co. Total	3	3	27	2	13	6	51	3	4	5	45	2	20	32	137	9
Bethany	0	12	23	0	0	20	71	0	0	0	6	0	0	0	18	0
Laurel	0	2	0	0	1	3	0	0	0	0	4	0	1	1	6	0
Lewes	0	0	6	0	0	0	55	0	0	0	1	0	0	0	2	0
Milford (S)	0	0	3	0	0	0	6	0	0	0	1	0	0	0	4	0
Rehoboth	0	1	4	0	0	2	23	0	0	0	6	0	0	0	17	1
Seaford	0	0	3	0	0	4	4	0	0	0	1	0	0	0	4	0
Milton	0	0	0	0	0	0	0	0	0	0	32	0	0	0	33	0
Millsboro	0	0	1	0	0	0	1	0	0	0	21	0	0	0	73	0
Georgetown	0	0	0	0	0	0	0	0	0	0	2	0	0	0	79	0
S. Co. Balance	6	12	158	3	6	17	307	6	6	2	96	6	12	19	372	21
S. Co. Total	6	28	198	3	7	46	467	6	6	2	170	6	13	19	608	22
STATE TOTAL	99	98	339	5	192	139	797	9	206	27	273	8	682	622	1,058	31

CHART 8

SQUARE FOOTAGE OF NEW HOUSING UNITS

LOCATION	NUMBER OF NEW UNITS BY SQUARE FOOT PER UNIT											
	2nd Qtr. 1981			TOTAL 1981			2nd Qtr. 1980			TOTAL 1980		
	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500	under 1000	1000-1500	over 1500
Wilmington	0	13	2	0	20	2	0	0	9	0	8	76
Newark	1	1	0	1	1	1	0	0	3	0	10	7
New Castle	0	1	0	0	2	0	0	2	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0
N.C. Co. Balance	41	124	88	166	187	158	3	100	157	350	607	589
N.C. Co. Total	42	139	90	167	210	161	3	102	169	350	625	672
Dover	0	4	0	0	13	0	1	1	0	0	10	9
Smyrna	0	1	0	0	1	0	0	0	0	0	0	0
Milford (K)	0	1	0	0	2	0	11	0	0	11	0	1
Harrington	0	0	0	0	1	0	0	2	0	0	3	0
Camden	0	0	0	0	0	0	0	0	0	-	-	-
K. CO Balance	1	12	16	7	24	25	2	21	20	10	83	70
K. Co. Total	1	18	16	7	41	25	14	24	20	21	96	80
Bethany	0	35	0	21	65	5	0	6	0	0	18	0
Laurel	0	2	0	0	4	0	0	4	0	1	5	0
Lewes	4	3	0	12	43	1	0	0	1	0	0	2
Milford (S)	1	2	0	1	5	0	0	1	0	0	2	3
Rehoboth	0	1	3	0	13	11	0	6	0	0	10	7
Seaford	2	1	0	2	2	0	1	0	0	1	3	0
Milton	0	0	0	0	0	0	32	0	0	32	1	0
Millsboro	0	0	1	0	0	1	0	20	1	72	0	1
Georgetown	0	0	0	0	0	0	0	2	0	76	3	0
S. Co. Balance	58	95	27	84	197	56	8	53	49	32	256	179
S. Co. Total	65	139	31	120	329	74	41	92	51	214	298	192
STATE TOTAL	108	296	137	294	580	260	58	218	240	585	1,019	944

CHART 9 A

NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	2nd QUARTER 1981								TOTAL 1981							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	12	0	3	0	0	0	0	0	12	0	10	0	0	0
Newark	0	0	1	0	1	0	0	0	0	0	1	0	2	0	0	0
New Castle	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	1	0	68	0	128	0	56	0	1	0	55	59	223	63	90	0
NEW CASTLE COUNTY TOTAL	1	0	81	0	133	0	56	0	1	0	88	59	237	63	90	0
Dover	0	0	0	0	4	0	0	0	0	0	0	0	13	0	0	0
Smyrna	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Milford (K)	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0
Harrington	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KENT COUNTY BALANCE	0	1	1	0	23	0	4	0	0	1	4	0	44	0	7	0
KENT COUNTY TOTAL	0	1	1	0	29	0	4	0	0	1	4	0	61	0	7	0
Bethany	0	0	1	24	10	0	0	0	0	0	5	41	34	2	9	0
Laurel	0	0	0	0	1	0	1	0	0	0	0	0	2	0	1	0
Lewes	0	0	1	4	0	0	2	0	0	0	9	45	0	0	2	0
Milford (S)	0	0	3	0	0	0	1	0	0	0	3	0	3	0	1	0
Rehoboth	0	0	0	0	4	0	1	0	0	6	1	5	4	3	2	0
Seaford	0	0	0	0	3	0	0	0	0	0	0	4	0	0	0	0
Milton	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Millsboro	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Georgetown	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUSSEX COUNTY BALANCE	2	0	34	13	84	26	16	4	4	2	63	25	173	32	30	6
SUSSEX COUNTY TOTAL	2	0	39	41	103	26	21	4	4	8	81	116	225	37	45	6
STATE TOTAL	3	1	121	41	265	26	81	4	5	9	174	175	524	100	142	6

CHART 9B

NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCALITY	NUMBER OF NEW UNITS BY BEDROOMS PER UNIT															
	2nd QUARTER 1980								TOTAL 1980							
	1 BR		2 BR		3 BR		4+ BR		1 BR		2 BR		3 BR		4+ BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
Wilmington	0	0	0	0	9	0	0	0	0	0	8	0	38	0	41	0
Newark	0	0	0	0	3	0	0	0	0	0	0	0	8	0	1	0
New Castle	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEW CASTLE COUNTY BALANCE	0	0	11	0	200	0	49	0	4	68	309	148	736	129	191	0
NEW CASTLE COUNTY TOTAL	0	0	11	0	214	0	49	0	4	68	317	148	782	129	233	0
Dover	0	0	0	0	0	0	0	0	0	0	2	0	10	0	0	0
Smyrna	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milford (K)	0	4	0	7	0	0	0	0	0	0	0	7	1	0	0	0
Harrington	0	0	0	0	2	0	0	0	0	0	1	0	2	0	0	0
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KENT COUNTY BALANCE	0	0	4	0	38	0	1	0	2	0	17	0	128	0	25	0
KENT COUNTY TOTAL	0	4	4	7	40	0	1	0	2	4	20	7	141	0	25	0
Bethany	0	0	1	0	5	0	0	0	0	0	1	0	20	0	0	0
Laurel	0	0	0	0	4	0	0	0	0	0	0	0	8	0	0	0
Lewes	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0
Milford (S)	0	0	1	0	0	0	0	0	0	0	1	0	3	0	0	0
Rehoboth	0	0	0	0	6	0	0	0	0	0	1	0	4	0	3	0
Seaford	0	0	1	0	0	0	0	0	0	2	1	0	9	0	0	0
Milton	0	0	0	24	0	8	0	0	0	0	0	24	1	8	0	0
Millsboro	0	0	1	20	0	0	0	0	0	6	0	16	0	16	0	12
Georgetown	0	0	0	0	2	0	0	0	0	24	0	24	3	28	0	0
SUSSEX COUNTY BALANCE	2	0	15	0	85	0	8	0	6	0	95	0	337	0	26	0
SUSSEX COUNTY TOTAL	2	0	19	44	103	8	8	0	6	56	99	64	387	52	29	12
STATE TOTAL	2	4	34	51	357	8	58	0	12	128	436	219	1,310	181	287	12

QUARTERLY FEATURE

1981

MORTGAGE FINANCING: A LENDER'S POINT OF VIEW

By Richard L. Murchison
Vice President
Wilmington Savings Fund Society

MORTGAGE FINANCING: A LENDER'S POINT OF VIEW

Over the last five years interest rates for a fixed rate mortgage have nearly doubled. Many prospective home buyers have watched disconcertedly as climbing rates pushed their dreams of home ownership further and further out of reach. The effects of high mortgage rates have also burdened the construction industry, the real estate professional, and the banking community.

From the banker's point of view, the crux of the rate problem is the difficulty of maintaining a balance between assets and liabilities. In an inflationary economy this balance is extremely difficult to achieve with long term investments like the fixed rate mortgage and short term rate-sensitive liabilities. New deposit instruments such as money market certificates have compounded the problem by creating a disparity in the rates and terms of assets and liabilities.

Competition from uninsured, non-regulated money market funds have also created difficulties for the banking industry. The nation's savings and loan associations, which are the major source of home mortgages, suffered record savings outflows for the months of March, April and May. Until federally insured banks and S & L's are allowed to compete on an equal basis with money market funds, disintermediation will continue to hinder the banking industry.

In an effort to counter-balance the effects of inflation, nonregulated competition, and the disparity between assets and liabilities, lenders have been forced to raise their interest rates. The rate for a conventional fixed rate mortgage is currently at 17% or more. However, high interest rates do not completely offset the imbalance in assets and liabilities. For example, money market certificates are a six or thirty-month liability while a fixed rate mortgage is a twenty-five or thirty year asset. For this reason, the long-term fixed rate mortgage will probably be discontinued at most financial institutions. In the future, home lenders will attempt to match the terms of their assets with the terms of their liabilities.

As the fixed rate mortgage is phased out of the market, the adjustable rate mortgage will be used to fill the need for home financing. In fact, the Federal Home Loan Bank Board and the Comptroller of the Currency have adopted new regulations which permit more flexible adjustments in interest rates.

The adjustable rate mortgage permits rate adjustments that can be implemented through changes in the payment amount, the outstanding principal loan balance, the loan term, or any combination of these variables. The new FHLBB regulations impose no restrictions on the amount by which any of these factors may be adjusted except that the term of the loan, including all adjustments, may never exceed forty years.

The new regulations will also allow the lender to utilize any interest rate index that is readily verifiable by the borrower and beyond the lender's control. The FHLBB lists a number of indices which would be acceptable, including the Board's national average mortgage rate index, the Board's average cost-of-funds to FSLIC insured institutions, three or six-month Treasury bill rates, or the monthly average yield on Treasury securities.

In addition to the adjustable rate mortgage, lenders have developed other types of "creative financing" which prospective home buyers may wish to consider.

The off-set mortgage, which can be obtained from the bank that holds the existing owner's mortgage, is being offered by several Delaware lenders. The seller's existing mortgage balance is combined with any additional funds needed by the buyer to purchase the home. By combining the two sources of funds, a new loan balance and rate are determined. The rate for an off-set mortgage is normally below market rates, which benefits the purchaser; but the new rate is higher than the seller's mortgage rate, which benefits the lender.

Across the country, many people are using second mortgages for home purchases. The buyer may assume the seller's low-interest first mortgage and take out a second mortgage for the balance of the loan. The second mortgage does not have to be held by the same lender as a first mortgage. Rates are higher than those for first mortgages, but the buyer may end up with a smaller monthly payment due to the lower interest rate of the seller's first mortgage.

Graduated payment mortgages are also being offered in some parts of the country. With a GPM, the interest rate is fixed, but the payments start out at a low level and gradually rise at a predetermined rate. In effect, the purchaser is borrowing additional money during the early years of the mortgage to reduce monthly payments. This additional loan is added to the outstanding mortgage payments in later years. Lenders may be forced to modify the graduated payment mortgage into another form of the adjustable rate mortgage with graduated payments.

The shared appreciation mortgage would provide the lender with some hedge against inflation, and the FHLBB is currently drafting regulatory guidelines for this new mortgage instrument. The SAM would allow banks to offer borrowers a lower mortgage rate in exchange for a share of the profit made on the mortgaged property. For example, the lender might offer a mortgage with an interest rate 20% below the current market rate if the purchaser agreed that the bank would get 33% of any increase in the value of the home.

Some forms of traditional financing, such as the purchase money mortgage, will probably remain available to home purchasers. Since a few sellers may be in a position to take back a mortgage from the buyer, deferring their capital gains tax, this type of financing will most likely continue to exist.

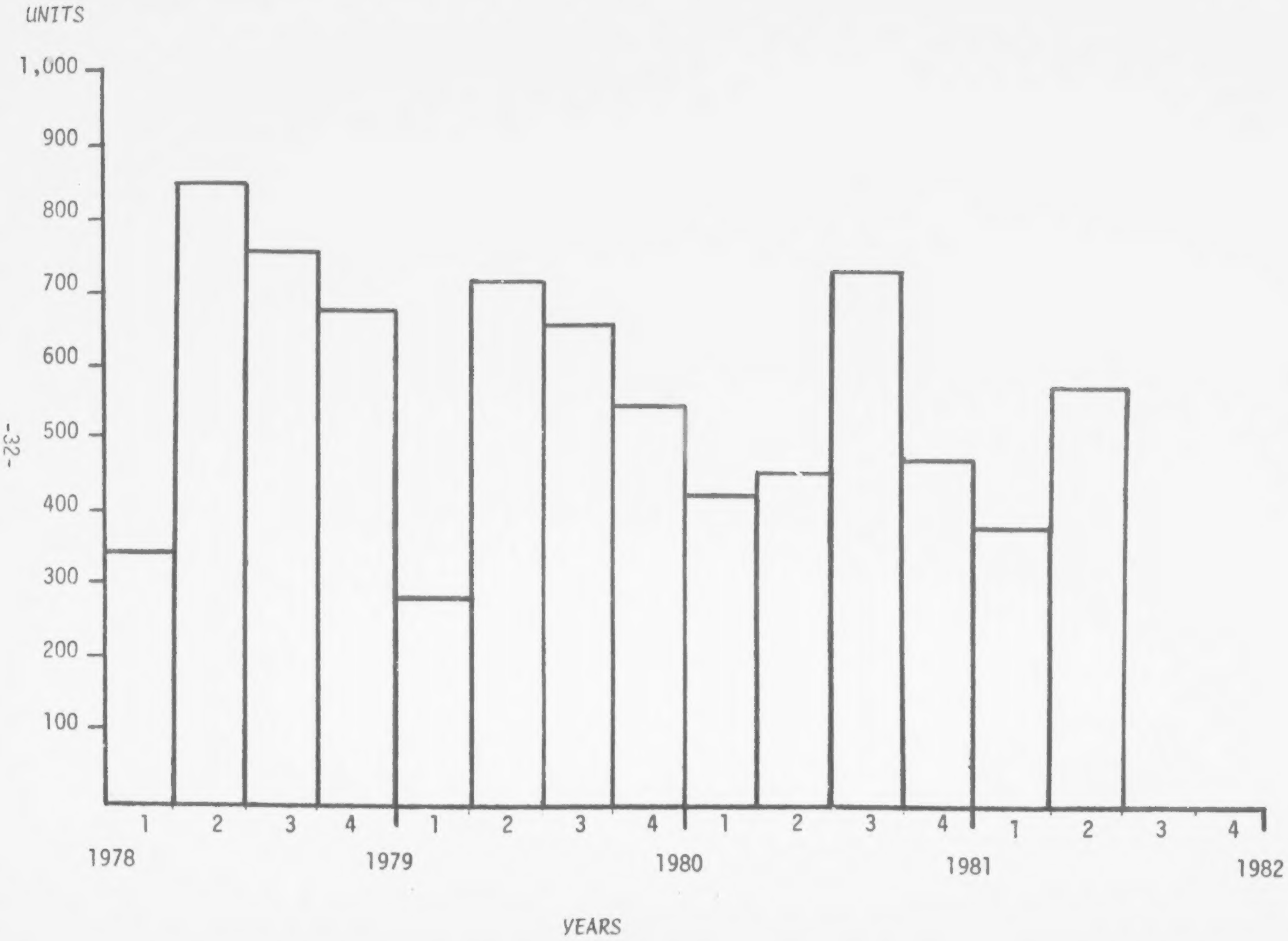
Whether or not the assumable mortgage will continue to exist is another matter entirely. Banks in some parts of the country are attempting to enforce the due-on-sale clause written into most mortgages. These lenders are being met with some consumer resistence through legal appeals. The issue of enforcement will probably be decided by the U.S. Supreme Court.

As the economic situation changes, lenders will develop other types of mortgage financing. The demand for home financing will remain strong, and this demand must be met with new types of mortgages that are designed as sound investments for the lender. Through the use of rate-sensitive and inflation-conscious mortgage instruments, lenders will be able to maintain home financing programs that are to the benefit of the entire community.

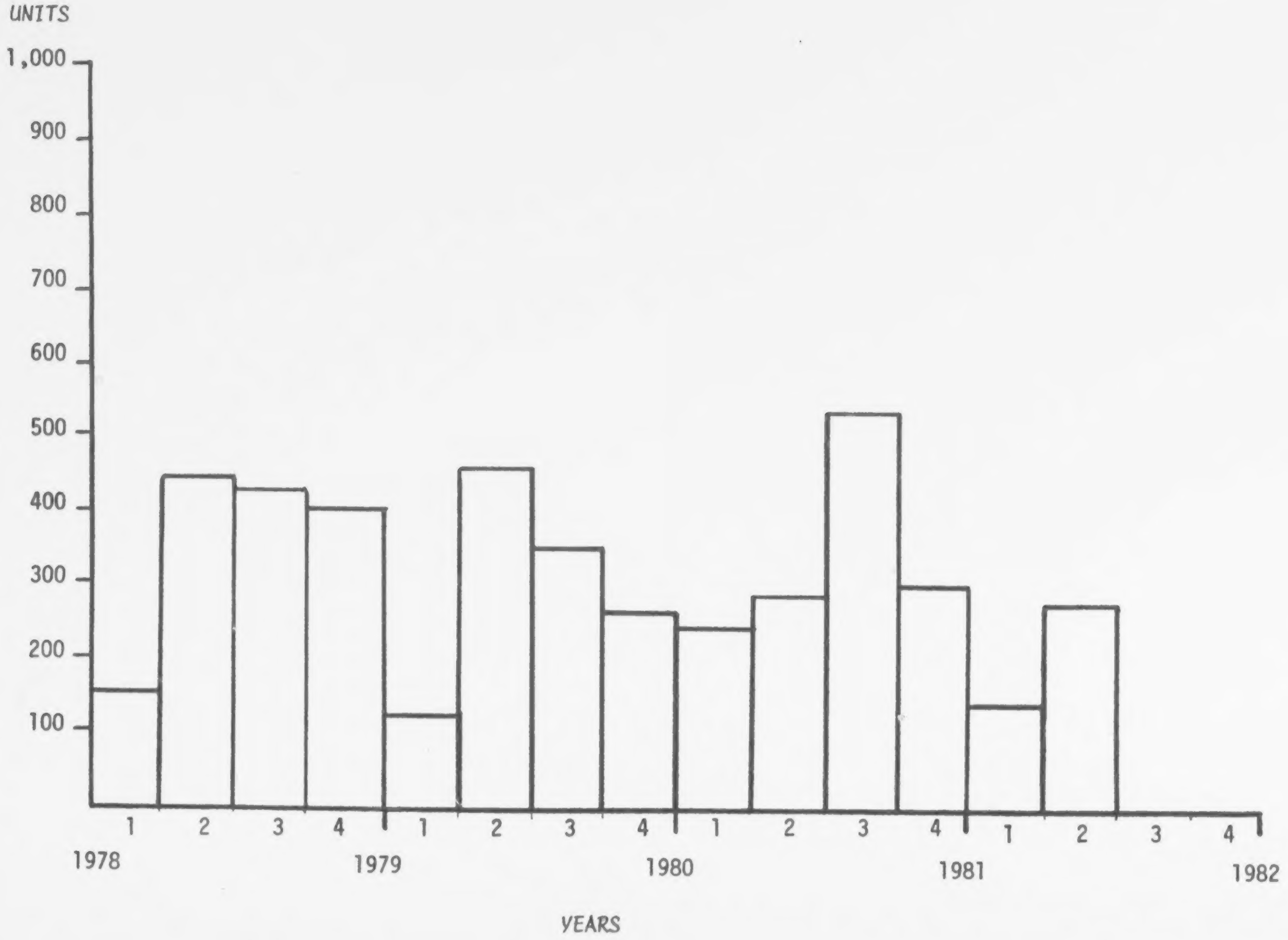
GRAPHS OF SINGLE FAMILY HOUSING PRODUCTION

1978-1981

(BY QUARTER)

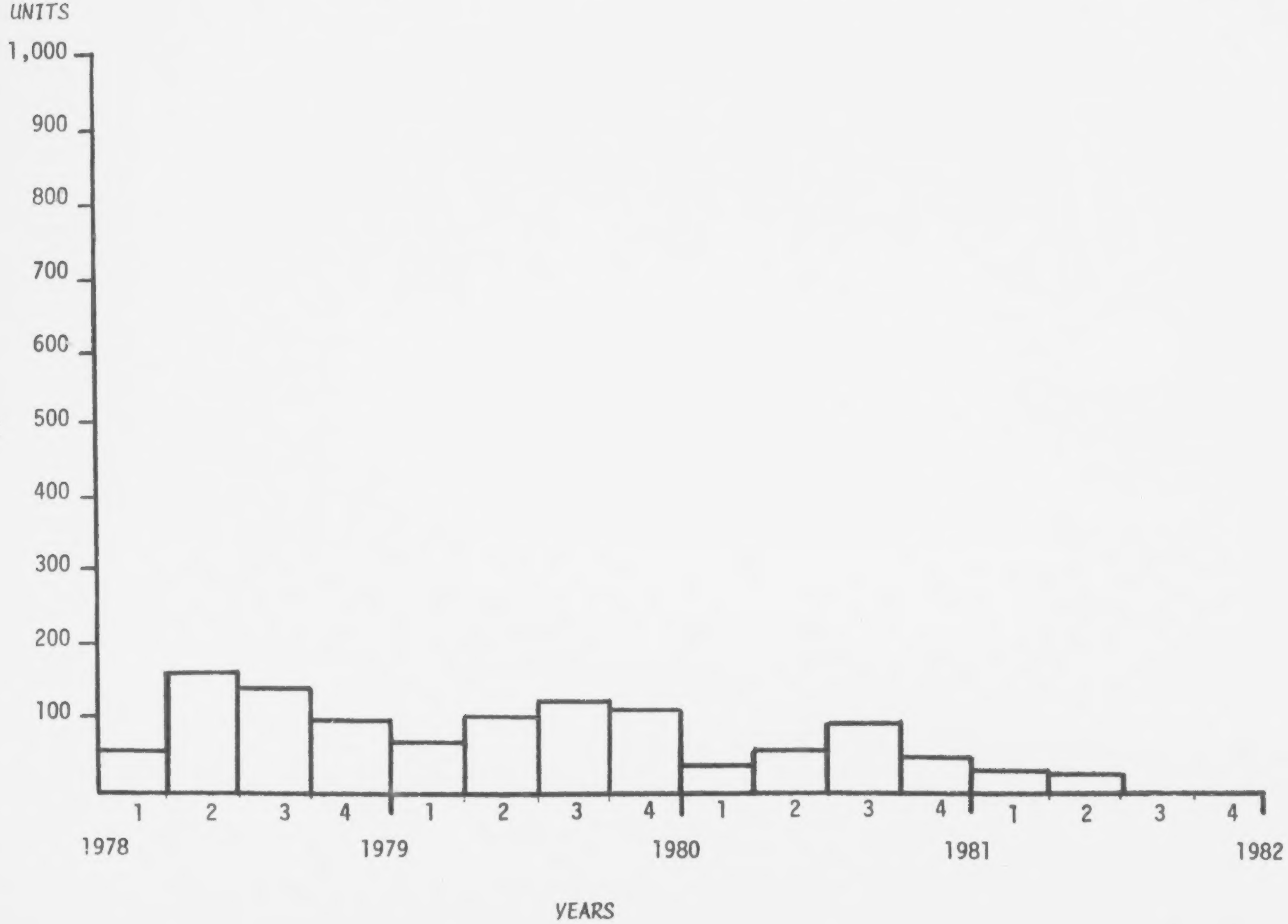


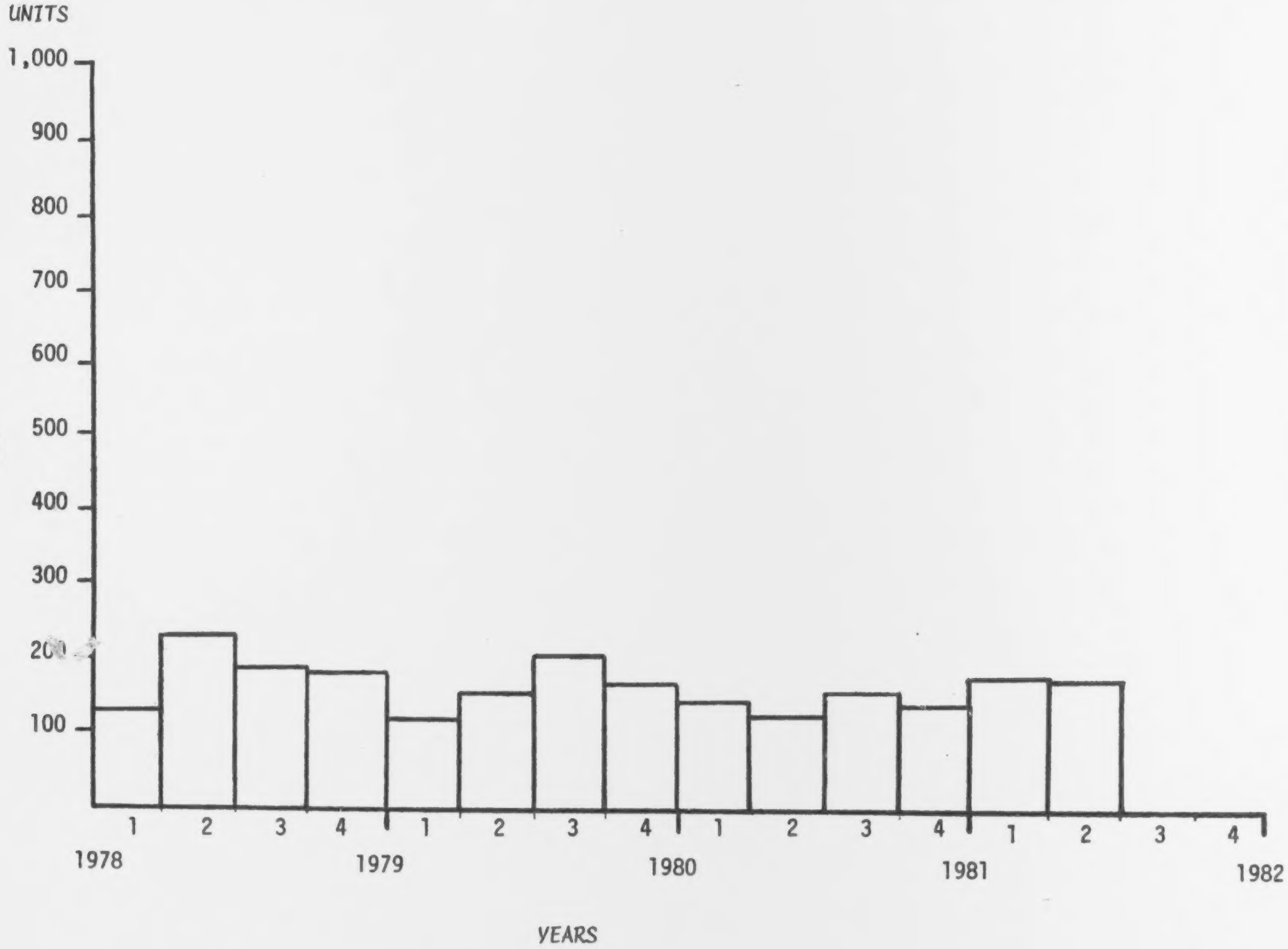
SINGLE FAMILY
HOUSING PRODUCTION
STATEWIDE
BY QUARTER



SINGLE FAMILY
HOUSING PRODUCTION
NEW CASTLE COUNTY
BY QUARTER

SINGLE FAMILY
HOUSING PRODUCTION
KENT COUNTY
BY QUARTER



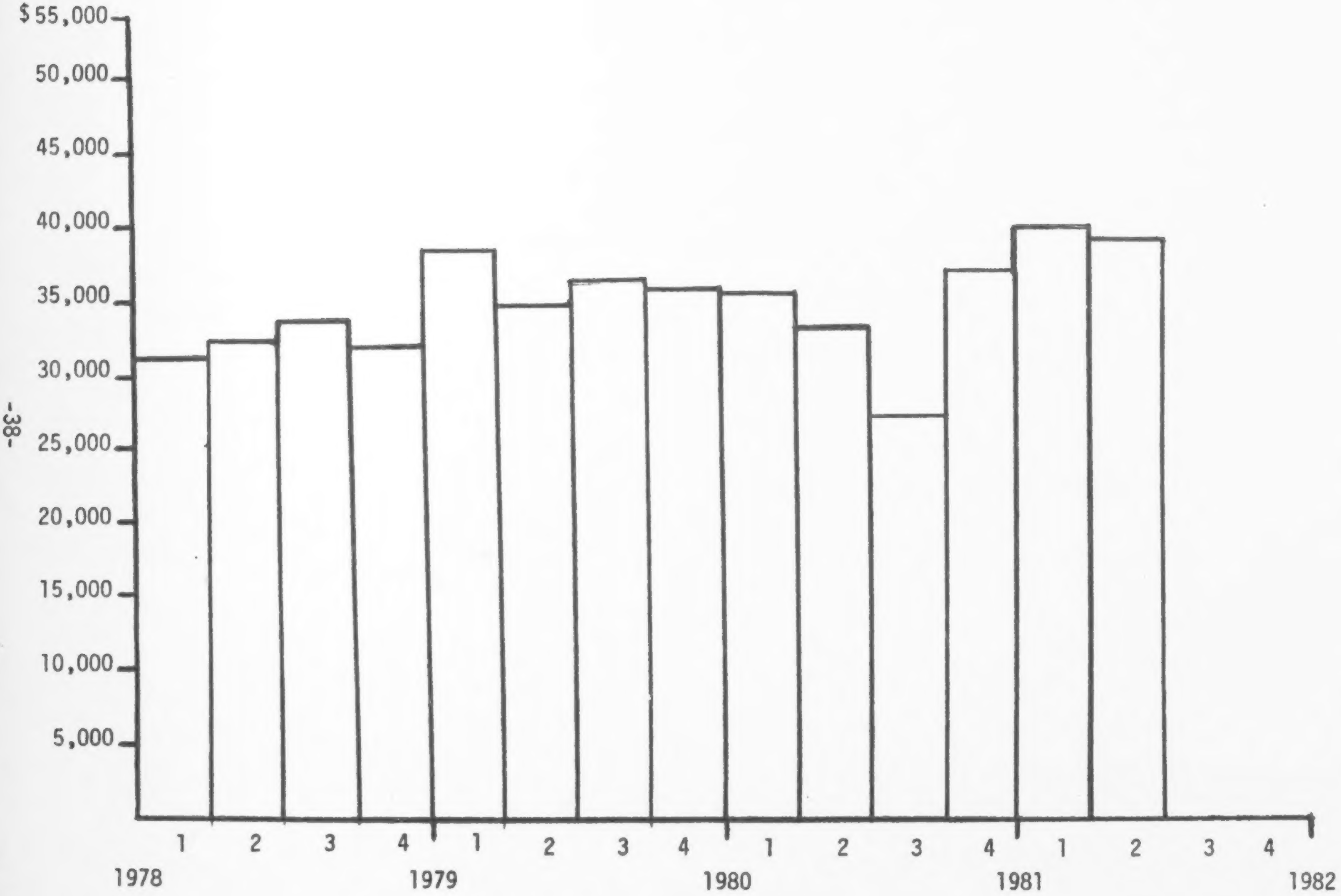


SINGLE FAMILY
HOUSING PRODUCTION
SUSSEX COUNTY
BY QUARTER

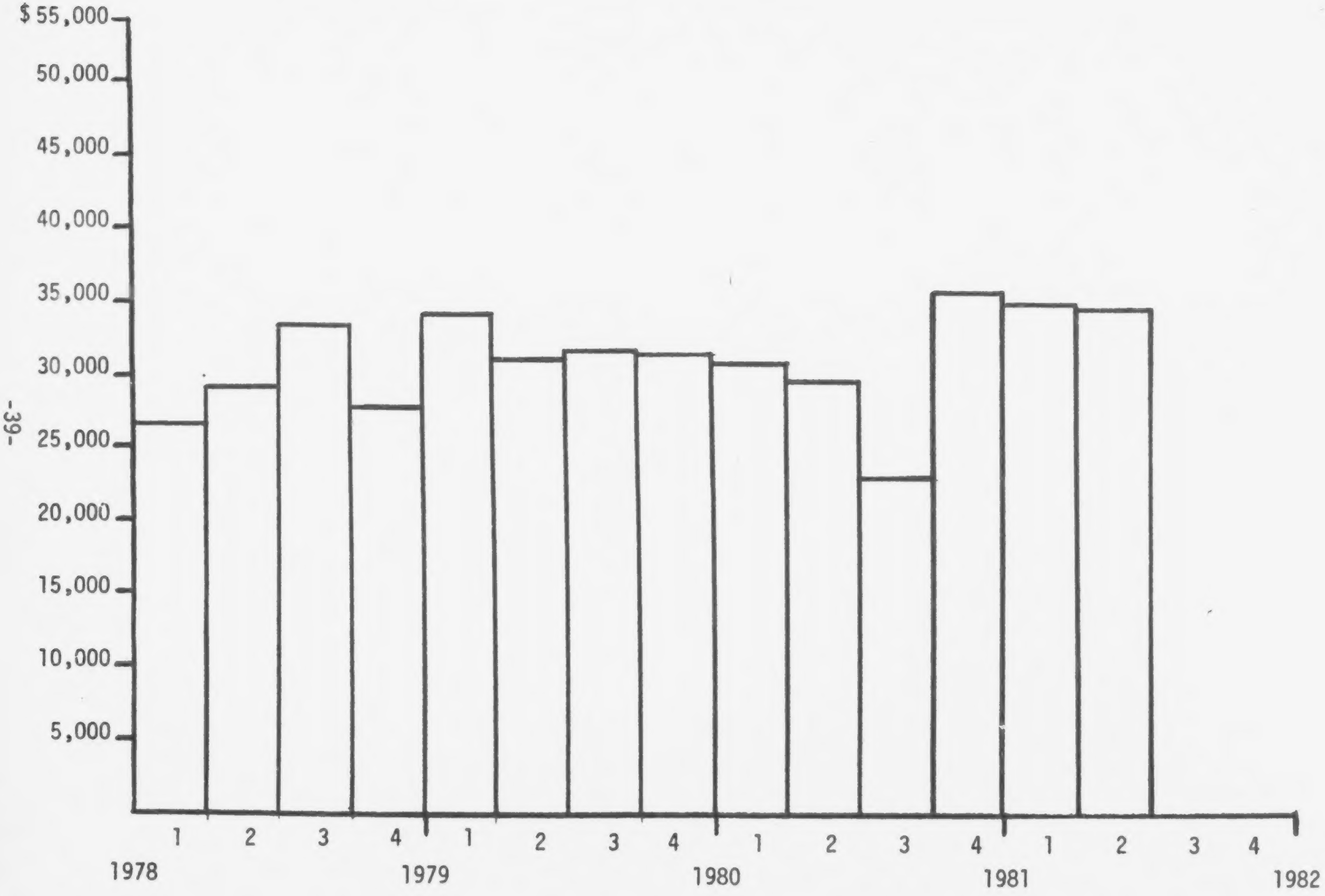
AVERAGE BUILDER'S COST OF A SINGLE FAMILY HOME

1978-1981

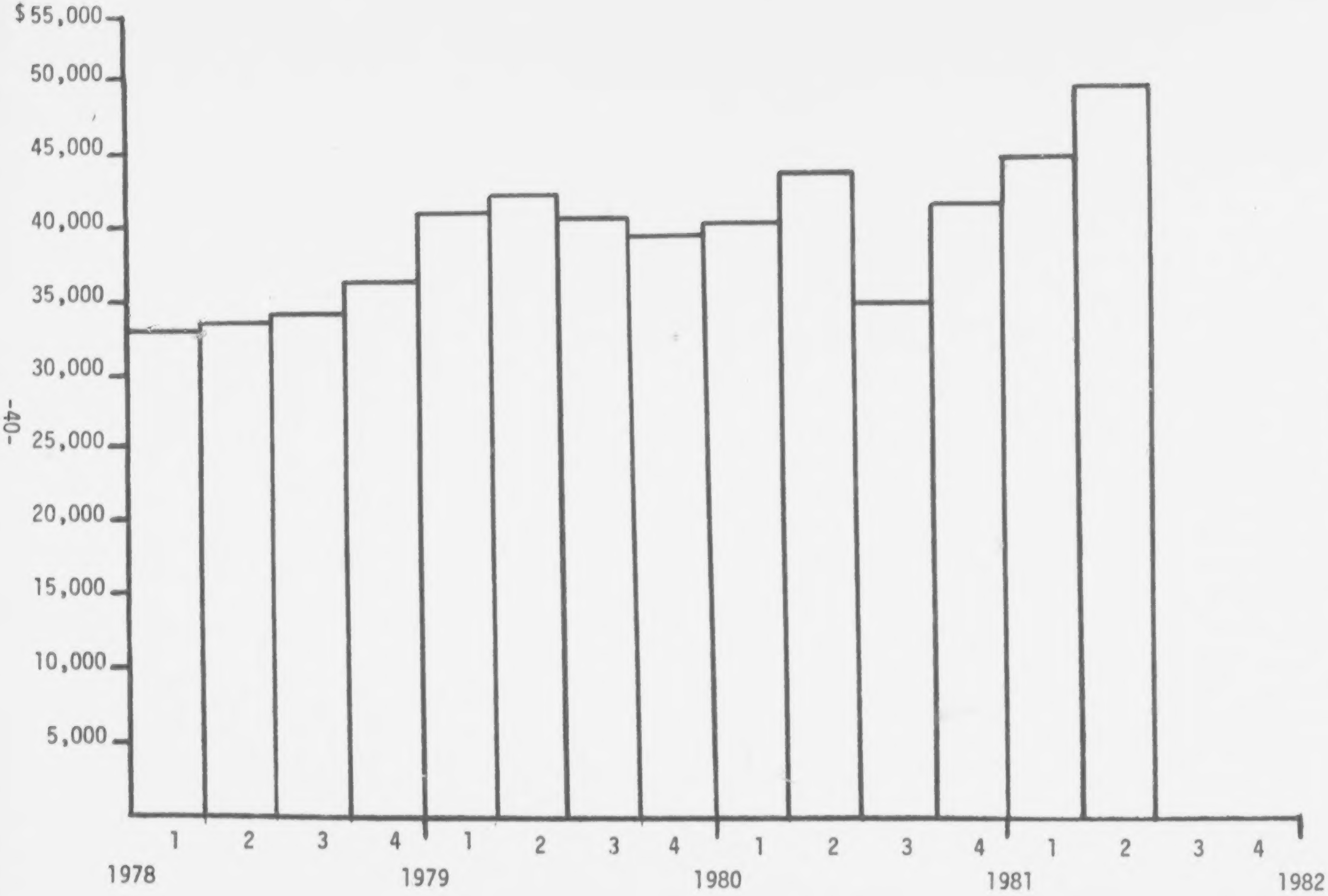
(BY QUARTER)



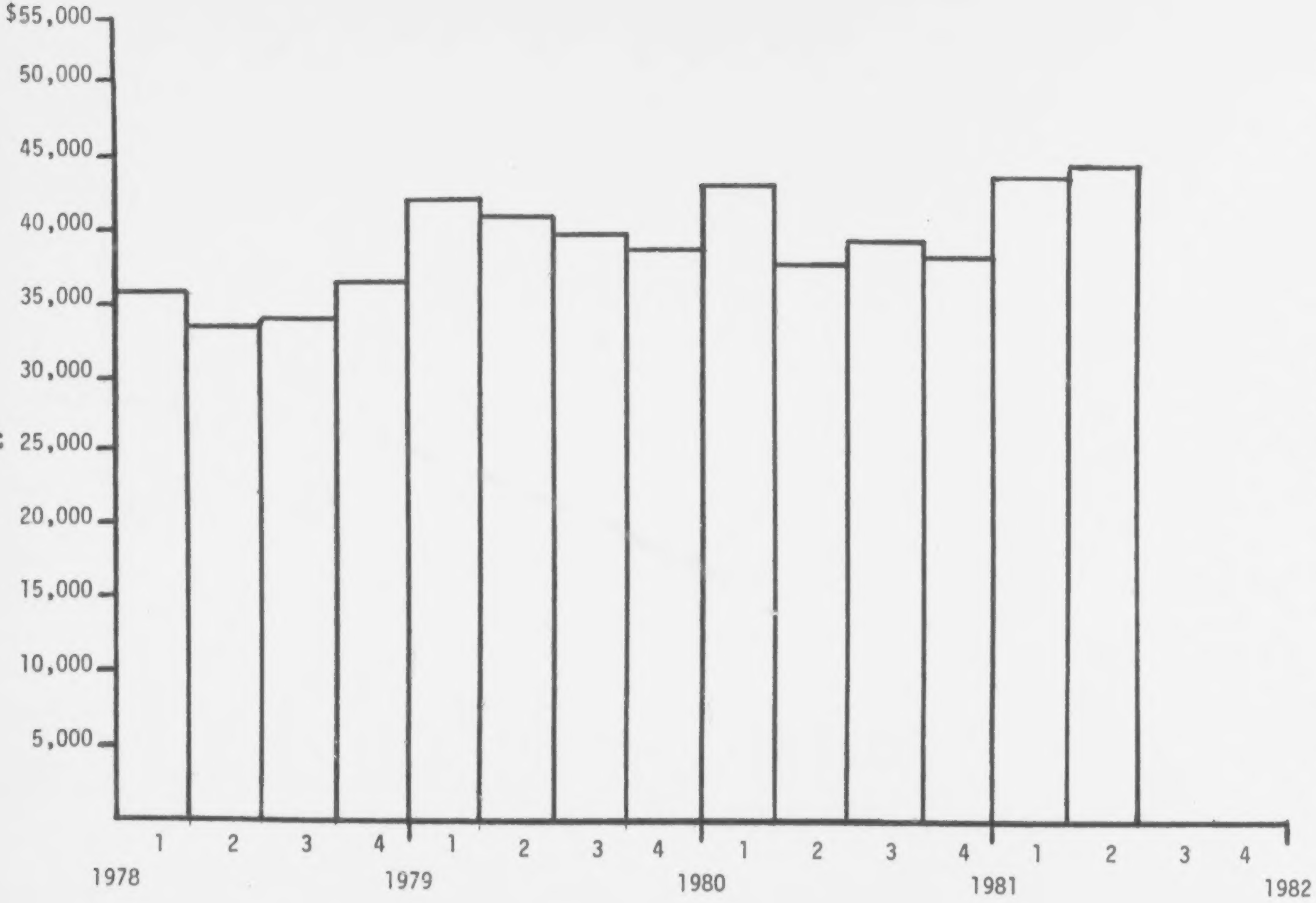
AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
STATEWIDE
BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
NEW CASTLE COUNTY
BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
KENT COUNTY
BY QUARTER



AVERAGE BUILDER'S COST FOR A
SINGLE FAMILY HOME
SUSSEX COUNTY
BY QUARTER